

Clinton's Balkan Shifts Erode Europeans' Confidence

By William Drozdiak
Washington Post Service

PARIS — President Bill Clinton's vacillations over putting U.S. troops in Bosnia have left European leaders troubled and perplexed about his stewardship of the Atlantic alliance and whether he can sustain confidence in American security commitments on the Continent.

Mr. Clinton's comments last Wednesday that the United States might be prepared to introduce ground troops to help a repositioning of UN peacekeepers in Bosnia cheered the French and British governments, who have long believed that differences with Washington over Balkan policy were rooted in the absence of U.S. troops.

With hundreds of their troops held hostage by the Bosnian Serbs in retaliation for NATO air strikes, Paris and London believed that Washington was finally on the verge of answering their call for more direct engagement.

But when an uproar in Congress and the shooting down of an American pilot aboard an F-16 flying over Bosnia prompted Mr. Clinton to limit severely conditions for sending troops, allied leaders engaged in a frantic round of telephone calls to ascertain the true U.S. intentions.

On Tuesday, a day after announcing that 3,500 U.S. troops would move from Germany to Italy to be ready for a possible UN evacuation from Bosnia, the Pentagon scaled back the size and scope of the commitment. (Page 8)

President Jacques Chirac of France called Mr. Clinton on Friday, a French presidential aide said, "to find out just where he stood." Told that any American support for a rapid reaction force to bolster protection for United Nations peacekeepers would be limited to logistical help, Mr. Chirac convened a restricted cabinet session to announce that the Americans would not be coming and that the new force would have to proceed with only French, British and Dutch soldiers.

"We understand his problems," a senior French military official said. "He must cohabitate with a Republican Congress and he faces a difficult election campaign next year. But that only makes you wonder whether he will ever be able to take the hard decisions required to lead the Atlantic alliance out

of a crisis that could soon get a lot worse." Mr. Clinton and his defense secretary, William J. Perry, sought to reassure the Europeans over the weekend that the United States would still hold fast to its promise to send as many as 25,000 American troops into Bosnia for two contingencies. Those contingencies are an "emergency extraction" of the 22,000-man UN peacekeeping force and the formation of an international army that would enforce a peace agreement among the warring Serbs, Croats and Muslims.

But the latest twists and turns in Washington have further eroded confidence among the allies. Many officials here expressed concern that the

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Japan Finds Words That Fail to Voice War Sorrow

Formula to Avert Crisis: 'Remorse' for Inflicting Pain, but No Contrition

By Nicholas D. Kristof
New York Times Service

TOKYO — Japan's governing parties agreed Tuesday night on a parliamentary resolution expressing remorse for inflicting "unbearable pain" on other countries during World War II.

The compromise resolution appears to be more a triumph of carefully crafted ambiguity than a sincere apology, and it is unlikely to reassure Japan's Asian neighbors.

But the resolution apparently averts a political crisis within Japan, as Prime Minister Tomichi Murayama had hinted that he might resign if a resolution were not approved.

Japan's Parliament has been fiercely debating whether to apologize for the country's conduct in the war. Debate focused in particular on whether Japan should acknowledge having committed "acts of aggression" and "colonialism," and whether it should offer an "apology."

The compromise resolution settles the matter by referring to colonialism and acts of aggression, without making it clear that it was Japan that engaged in such behavior. The resolution does not use the word apology.

As a result, those Japanese who feel penitent can interpret the resolution as meaning that Japan feels terrible that it invaded and colonized its neighbors.

But those legislators who feel proud of Japan's war record can interpret the resolution differently. They can argue that it means that Japan feels terrible that Europe and America colonized other countries, forcing Japan into the war as a matter of self-defense.

Such legislators acknowledge that Japanese troops caused suffering abroad, as all armies do, and they are prepared to feel some remorse for that.

But some say that if any country owes an apology for World War II, it is the United States, for dropping the atomic bomb.

The relevant paragraph of the compromise resolution, as transmitted by Reuters, is this: "Recalling many colonial rules and acts of aggression in the modern history of the world, we recognize and express deep remorse for those acts our country carried out in the past and unbearable pains inflicted upon people abroad, particularly those people of Asia."

The resolution perhaps raises as many questions as it answers, for it underscores Japan's continuing hesitancy about condemning its invasion of much of Asia. Millions of Asians died at the hands of the Japanese Army, and Koreans and Chinese in particular still smolder with anger at Japanese atrocities.

On Tuesday, Korean students firebombed a Japanese cultural center in Seoul. (Page 7)

While Germany has repeatedly apologized for its wartime conduct, Japan seems much less contrite. Those Japanese soldiers and generals who were executed for war crimes are now worshiped as divinities at a major Tokyo shrine, visited each year by cabinet ministers to pay their respects.

Japan's government has also edited textbooks so that school children read a sanitized version of the Imperial Army's invasions.

In any case, the debate over school textbooks in Japan is of very meaningful because in most cases history classes do not get that far — to avoid embarrassment, the teachers arrange not to get as far as World War II by the end of the school year.

The debate is not just about the past. Bitterness at Japan's apparent lack of contrition is a major source of the distrust felt for Japan in South Korea and China, and it is a major reason why many Asian countries do not want to see Japan ever again develop a powerful army.

Opinion polls suggest that most Japanese feel that their government should do more to show remorse for the war.

But veterans and their families form an extremely powerful lobby, which argues vociferously that any apology for the war would dishonor those who died for their country.

Fear of Passing 'Mogadishu' Line in Bosnia

By John Darnton
New York Times Service

LONDON — The new buzzword on Bosnia is "Mogadishu line," and suddenly policymakers and critics from Paris to Washington are worrying about it and wondering if it has been crossed.

The term derives from the debacle of the U.S.-led intervention in Somalia from 1992 to 1994, and it stands for that inde-

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finable but dangerous moment when United Nations troops change from being peacekeepers to combatants.

For the first time, the European countries contributing to the UN force in Bosnia have given themselves real military capability. The reinforcements being sent by Britain, France and others because of the hostage crisis include two rapid-reaction brigades — 10,000 troops, representing nearly a 50 percent increase in total strength — and, more significantly, artillery guns, light tanks and battle-field-support helicopters.

The capability means that they could adopt a tough line in "peace enforce-

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Residents of Sarajevo taking refuge Tuesday behind a French armored personnel carrier as sniper fire from Bosnian Serbs continued to pelt the capital.

Anglican Panel Dismisses 'Living in Sin'

By Fred Barbash
Washington Post Service

LONDON — A panel of the Church of England recommended Tuesday that the phrase "living in sin" be abandoned and that unmarried couples, heterosexual and homosexual, be more readily welcomed into Anglican congregations.

While the established state church of England should continue to affirm the centrality of traditional marriage, the panel said, "steps need to be taken to show that the church's ministry exists for all people living in all kinds of families." It should make it plain that the love of God is lived out in a variety of relationships.

The recommendations by the Board for Social Responsibility, which may or may not be adopted by the church's governing body, were the latest contribution to an

intensifying debate within the church on issues of family, sexuality and gender.

Hardly a week has passed here recently without some flare-up, large or small: a declaration by the bishop of Edinburgh, Richard Holloway, that "the church should not condemn affairs as sinful and wrong" and the utterance by the bishop of London, David Hope, that he was "ambiguous" about his own sexuality.

The most serious split was caused by the church's 1993 decision to ordain women.

The dividing line, as in other churches in other countries, is roughly drawn between those who say they desire "a firm moral line," as the report Tuesday put it, and those "who seek to adapt" religious teaching to "changing circumstances."

The panel, comprising clergy, theologians, sociologists and family law specialists, chose the latter course after three

years of study and a survey of churchgoers and clerics.

"We were disturbed," it said, "to hear from people who had felt unwelcome in congregations because they were cohabiting or divorced, gay or lesbian. We were disturbed to hear that some children are refused baptism by clergy because their parents are unmarried."

Noting that "cohabitation is now common behavior before marriage," it said that the church had too often "spoken about families in ways which are sentimental or excluding or which do not connect with people's lives as they are really experienced."

"Many of the people who wrote to us," it added, "had sought welcome and haven in the church in times of darkness but had

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South Africa Court Outlaws Death Penalty

By Lynne Duke
Washington Post Service

JOHANNESBURG — South Africa's highest court Tuesday abolished the death penalty, calling it an unconstitutional form of cruel, inhuman punishment that does not appear to deter crime.

The unanimous ruling came in the first case heard by the new multiracial 11-member Constitutional Court sworn in by President Nelson Mandela in February as the country's first judicial body allowed to dispute laws made by Parliament.

The ruling prompted immediate outcries from the National Party led by Deputy President Frederik W. de Klerk, a member of Mr. Mandela's coalition government. Mr. Mandela's party, the African National Congress, opposes the death penalty.

The arguments made in South Africa about the death penalty parallels those in the United States: whether the punishment deters violent crime, whether it is justified

retribution, and whether society can afford the tremendous costs of long appeals in capital cases.

Polls here show strong support for the death penalty in a country that is one of the world's most murderous. But the president of the Constitutional Court, Arthur Chaskalson, concluded that demands for retribution cannot guide constitutional law.

"By committing ourselves to a society founded on the recognition of human rights, we are required to value these rights (life and dignity) above all others," he wrote. "This is not achieved by objectifying murderers and putting them to death to serve as an example to others in the expectation that they might possibly be deterred thereby."

Furthermore, he said, "It has not been shown that the death sentence would be materially more effective to deter or prevent murder than the alternative sentence of life imprisonment would be."

Death penalty foes hailed the decision as a sign of the new court's ability to rule independently on a difficult and emotional issue. And they portrayed the ruling as yet another signal of South Africa's move toward democracy.

"It puts South Africa on the world map amongst democratic countries around the world that have abolished the death penalty, with the exception of the United States and some other countries," said Ahmed Motale, national litigation director at Lawyers for Human Rights.

The Constitutional Court's ruling came as in the case of two men sentenced to death for the 1990 murders of four people in an attack on a bank truck and its police escort.

A National Party spokesman, Danie Schutte, said the party will work to amend the constitution to allow executions. There

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AGENDA

U.S. Deflects OAS Criticism on Cuba

WASHINGTON (AP) — The State Department stood by its policy toward Cuba after criticism Tuesday by the head of the Organization of American States that it was too rigid.

Speaking at an OAS meeting in Haiti, the secretary-general of the organization, Cesar Gaviria, said the debate over Cuba "has been monopolized by the most extreme positions" that are no longer "logical or rational."

A State Department spokeswoman, Christine Shelly, said the administration agreed with Mr. Gaviria's statements that "there must be greater economic freedom and the establishment of a pluralistic, democratic system with political freedoms and respect for human rights." But, she said, only after these reforms would it be "possible to initiate a new stage in the hemisphere's relations with Cuba."

PAGE TWO In Algeria, Getting By

THE AMERICAS Simpson Trial Near the Brink

ASIA Cult Leader Indicted

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DOWN AND OUT — Andre Agassi, who fell Tuesday to Yevgeny Kafelnikov in Paris. Page 23.

East German Spymaster Broods About Socialist Dream Gone Bad

By Alan Cowell
New York Times Service

BERLIN — The old spymaster is thinking. He is thinking of the agents he sent over there, into the badlands, who languish now in jail while he is free; he is thinking of the loveless secretaries he sent his Romeo to seduce into betrayal and wrecked lives; he is thinking how he brought down a government and maybe changed history.

And he is thinking that, on balance, he can live with all of that.

But, if old spies' stories are more than just cover — part of their craft of dead-letter drops and safe-house encounters — then what troubles Markus Wolf, 72, once the highest of all East German spies, is that an old, utopian dream went sour as communism decayed

into the repressive power elite to which he once belonged.

"The question that torments me is: What more could I have done to prevent the discredit of socialism as an alternative society," he said. And he clings unrepentant to the notion that there is another way: "I do not hope. I am convinced."

The old spymaster, maybe, is building his legend — as the spy novelists call cover stories — to infiltrate the post-Communist era. But, as he does so, his refusal to recant seems to raise a question that people have asked of the CIA and the KGB as much as of the onetime East Germans: Where do the old spies go to rest when the war is over and done with?

Last month, a ruling by Germany's highest court provided part of the answer by determining that former East German spymasters like Mr. Wolf may not be punished for their espionage activities, meaning

that a six-year jail term, imposed for treason and bribery in December 1993, is no longer legally valid.

Yet the ruling was uneven because it did not extend to the spies who worked on the ground for Mr. Wolf, who held the rank of general in East Germany's state security apparatus, and the others who ran their networks from East Berlin. Without equality for all of them, the old spymaster said, "it's not a real unification."

Mr. Wolf became the head of East Germany's external intelligence service in 1952 at the age of 29, and for years he was called the faceless one because no one in the West seemed to know who had masterminded the cover stories of the myriad agents sent to West Germany to burrow into the bureaucracy.

Most notoriously, Mr. Wolf's agents included Günter and Christel Guillaume, who created their cover by registering as refugees in West Germany in 1956, the year of the Hungarian uprising.

Mr. Guillaume, who died in April, rose to become personal assistant to Chancellor Willy Brandt, the architect of European détente, while his wife acted as a courier for the secrets he gleaned. When the operation was uncovered in 1974, Mr. Brandt fell from power.

"It was a huge accident," Mr. Wolf says now, because, most of all, his operations were intended to get some real feel about what leak-prone Bonn was really thinking as much as to purloin secrets that rarely stayed secret for long.

In the tense days of the Cold War, he said, "our main task was to avoid surprises."

As to the driving motives of Mr. Wolf, they may lie in his childhood. Before World War II, Mr. Wolf, who is Jewish, and his family fled to Moscow to escape Nazi persecution. He grew up in Moscow and became

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4485.20	123.03

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Algeria's War/Not All Fire and Blood

A People Navigates Killings and Car-Bombings

By Youssef M. Ibrahim
New York Times Service

ALGIERS — The Algerian Interior Ministry, an imposing U-shaped building anchored to one of the many hills framing this Mediterranean city, is surrounded by barricades and guarded by gun-toting, black-clad soldiers referred to as ninjas for their balacabras and menacing demeanor.

Inside was the interior minister, Abderrahmane Meziane-Cherif, whose job is to see that Algeria does not become an Islamic theocracy like Iran or Sudan.

"We have to do everything we can now to return social and civil peace to Algeria, and we will make every effort toward this goal," said Mr. Meziane-Cherif, who commands tens of thousands of men who have been employed against armed fundamentalist groups, and, some say, used against innocent Algerians as well.

The dominant impression left by a nine-day trip through parts of Algeria was that, quite apart from the terrorist menace, the Algerians' malaise has more to do with government unresponsiveness to their needs for better housing, more jobs and greater political freedoms.

Terrorism has largely disrupted the lives of its victims, mostly leading figures in society, government officials, soldiers and innocent victims falling in the crossfire, as well as the militant Muslims being hunted by government forces.

But for the great number of Algerians, life seems to flow routinely, despite assassinations, car-bombs and other terrorist acts engineered by the Islamic fundamentalists bent on bringing down the government.

THE struggle began when the government denied the leading fundamentalist party an election victory in 1991. In the years since, the news from Algeria has made it sound like a country in a state of siege, some tense pockets — police stations, government buildings and embassies — are indeed heavily fortified.

In Algiers, foreigners, who are among the designated targets of the fundamentalists, have made themselves into hostages of their own fear, guarded by soldiers from home who are even more menacing than the Algerian ministry guards.

As the reinforced steel doors swing open at the U.S. and French embassies, visitors are greeted by guards with shotguns, machine guns and assault rifles aimed into the streets. But outside these gilded jails, Algerians stroll the winding streets bordered with whitewashed houses and palm trees, hardly paying attention. The capital of 3 million people moves to a normal rhythm.

On early summer afternoons, the most common sights in this city, once considered the jewel of France's colonial empire, are of teenagers negotiating hilly streets, bookbags over their shoulders; of passengers staring out of crowded buses; sidewalk cafes overflowing with domino players; and markets teeming with shoppers.

But after curfew goes into effect at 11:30 P.M., intermittent shots can be heard as security forces sweep through neighborhoods looking for suspected terrorists.

"Algeria is not all fire and blood," said Ammar Bendjedja, a television reporter who has been on a fundamentalist death list.

HUNDREDS of teachers, feminists, intellectuals, artists and government officials have been assassinated since 1992. Among those killed were 46 journalists, and, in the last year, Algeria has restricted the access of foreign reporters.

Recently, however, the military government has allowed small groups of reporters to enter the country. Although there were no restrictions on interviews, the reporters were protected at all times by armed bodyguards who proved to be intimidating to ordinary citizens being approached. Still, journalists were allowed to observe, albeit from some distance, life in Oran, Arzew, Blida, Tipaza and Algiers.

In Oran, a Mediterranean port 355 kilometers (220 miles) west of Algiers, there is no curfew, and lovers holding hands lingered on the corniche.

Beach restaurants were filled, too, 160 kilometers west of Algiers in Tipaza, where the coastline is dotted with intensely blue Mediterranean bays and brilliant green vineyards.



A mother, right, mourning at the grave of her daughter, an Algerian reporter who was murdered in May. Journalists, teachers, intellectuals, artists and anyone connected with the military government have been targeted by Islamic fundamentalist militants.

Even in Blida, 40 kilometers southwest of here, a city considered only two years ago to be a bastion of Islam — where even small girls were intimidated into veiling themselves at all times and newspapers were banned — life seemed to flow easily last week. Only a few women walking about town were veiled and newsstands and shops seemed fully in business.

A feminist activist, who spoke on condition that her name not be used, has seen a number of her women friends killed in the past year by fundamentalists. She said Algerians look at strife with a notion of fatalism, but also with lingering experience of the war of liberation against France from 1954 to 1962 that was far more brutal than the current crisis.

"Fear is in the heart, but life goes on," she said. "I die twice a day when I leave my flat and when I come back. Otherwise, I go about my business as usual. At any rate, fanatics or no fanatics, this is the only country I have. We don't have a spare country."

THE death toll from the civil war has been put at 30,000 to 40,000 people so far. But the government uses a much more conservative figure, 12,000, and denies claims by fundamentalist groups that as many as 15,000 of their people are in prisons.

Secularist Algerians view the fundamentalist attacks as an attempt to wipe out what they call "civil society." Preserving this civil society is the business of the Interior Ministry which, alongside the army, has become the central nervous system of security.

But Mr. Meziane-Cherif, the interior minister, said that there would be no talks with the armed fundamentalists. "We are not playing anymore because you cannot talk to people who adopt violence as their creed, people who decapitate, who rape and cut women's breasts, who kill innocents."

Mr. Meziane-Cherif dismissed reports by human rights organizations that contend government forces also kill innocent bystanders indiscriminately. And, he said, the number of people in detention does not exceed 4,000.

But opposition figures maintain that the security apparatus, both the army and the government — what they call the *pouvoir occulte*, or hidden power — far from preserving civil freedoms, are using the fundamentalist menace to perpetuate three decades of oppressive and corrupt government that has left this rich country, with ample reserves of oil and natural gas, with \$26 billion in debt and an unemployment rate of about 25 percent.

MR. Meziane-Cherif is one of a few dozen people sitting at the very top of the military-political complex that has largely determined this nation's destiny for the last 33 years.

A senior Arab diplomat here calculated that, all together, a group of not more than 200 people, including all top army generals, former heads of government and their close collaborators, have essentially ruled Algeria since it became independent, keeping everyone else outside the power structure.

Mr. Meziane-Cherif argued that that attitude was a thing of the past. He said that the government's priority was to end the terrorism. That would permit the government to repair the economy and in turn lead to political reforms, including free elections that officials say will be held at the end of this year.

The interior minister contended that the government made a "terrible mistake" by legalizing religious parties that "exploited Islam" to mobilize the poor, the dispossessed and the unemployed. It was one of these parties, the Islamic Salvation Front, that nearly toppled the government before elections were nullified.

Asked if he believed Algeria had checked the fundamentalists, Mr. Meziane-Cherif answered bluntly. "If I told you yes, I would be lying. But the security situation has improved considerably and we will complete the work soon."

Foreign diplomats agreed that the government has been successful in its fight against the fundamentalists. First it pushed them out of the big cities where they controlled the mosques and many poor neighborhoods. Then it pursued some of them, bunting down groups hiding in the mountains.

MANY Algerians, even those in the opposition, said that the fundamentalists' most extreme atrocities have brought about a sweeping rejection of their cause.

In the last year, the focus has been on the Armed Islamic Group, which decapitates its victims or slits their throats, kidnaps, rapes and kills whole families of its opponents.

"There is no place where the government cannot go," a senior Western diplomat said in a briefing for reporters last week. "There are no 'liberated' areas and there is no prospect of Islamists taking over."

But he added: "Loss of support for the Islamists does not add up to support for the government. The military regime is still seen as a military regime."

Mostly, the government is gripped by a determination to stay in power come what may, according to opposition parties.

While nearby Morocco and Tunisia are considered islands of stability by Western governments, both have allowed virtually no opposition parties, except as harmless, decorative trimmings.

By contrast, Algeria, which announced an end to single party rule in 1988, has seen about 65 parties spring into life since. Most are small, but a few have emerged as significant forces, the largest of which was the Islamic Salvation Front. Others, like the Front for National Liberation and the Front for Socialist Forces, have a considerable following.

THE Algerian press, although heavily subsidized by the government since it sprang out of the government-owned media five years ago, remains a lively and somewhat independent force, far more so than in most African countries. And the collection of syndicates and professional associations, which represent Algerian workers as well as women and ethnic groups, are forces to be reckoned with.

All are demanding an end to military rule and the institution of some form of democracy. The government of President Liamine Zerrouk has responded by proposing a presidential election by year's end, but without the full range of reforms that would take the army out of politics and without opening talks with Islamists who renounce violence.

"If a presidential candidate is presented by the army, people will not have confidence, aggravating the crisis," said Abdelhamid Mehri, secretary-general of the Front for National Liberation. "If he is truly elected democratically under the present circumstances of civil conflict, the army will not accept him."

Saeed Saadi, who heads the Assembly for Culture and Democracy, a fiercely anti-fundamentalist movement that believes in total separation of mosque and state, said: "Algerians have to stop fooling themselves about flirting with fundamentalism. I refuse to give power to a fascist movement that says, 'O.K., we will enter elections to get power, but once we are there, we represent the word of God, and that you cannot subject to the will of man.'"

In the middle of all this, many Algerians appear to have disconnected, choosing instead what the feminist activist who asked for anonymity said was most peoples' response to the turmoil: to carry on with their lives. "Normality," she said, "is a form of resistance."

Schism Could Sink Likud in Next Vote

Members Fear Repeat of Loss In '92 Over Internal Turmoil

By Clyde Haberman
New York Times Service

JERUSALEM — The opposition Likud party, which hopes to return to power next year and undo many of Israel's present peace policies, stumbled Tuesday along the same self-destructive path that brought it to defeat in the last national election.

The Likud faced potentially ruinous divisions after adopting a system of primaries favorable to the party leader, Benjamin Netanyahu, and considered disastrous by his arch-rival, former Foreign Minister David Levy.

Inevitably, distressed Likud members recalled that similar turmoil helped cost them the 1992 election.

By the same token, there were pleased smiles within the governing Labor party, which has its own internal battles over the Middle East peace talks and needs all the help it can get to win the 1996 election.

It is a situation with potentially major repercussions. Mr. Netanyahu says that, if he becomes prime minister, he will feel no obligation to honor the Labor government's peace policies, especially its 1993 agreement giving the Palestinians self-rule in the Gaza Strip and West Bank.

For many months, opinion polls have shown him defeating Prime Minister Yitzhak Rabin of Labor in a direct election for prime minister, which Israel will hold in 1996 for the first time.

Now the political balance is far less clear as a result of the Netanyahu-Levy split, a feud that is several years old and rooted less in substantive issues than in the simple fact that the two men despise each other.

Mr. Levy, a brooding figure with a habit of threatening to quit when he does not get his way, ran true to form after losing on the primaries issue in the party central committee Monday night.

Political lieutenants said Tuesday that he was ready to leave Likud and set up his own party, although no announcement may come for a few weeks.

That party would be likely to appeal to Sephardic Jews, those of North African and Middle Eastern origin. Many of them feel they have been ill-treated by the Ashkenazic Jews from Eastern Europe who founded the state and guided it through its first decades.

The Moroccan-born Mr. Levy, 57, has long been a political voice for their discontent. And few here need reminding that it was the Sephardic vote that toppled Labor from power in 1977 for the first time, installing Likud and keeping it there through the 1980s.

So if Mr. Levy does indeed walk away, he may take many natural Likud supporters with him.

Even if the threat to form a new political force proves to be empty, Mr. Levy could still harm Likud by staying put and doing almost nothing to turn out the Sephardic vote next year. That is exactly what he did in 1992, and as a result Likud lost badly that year to Labor.

This time, shorn of niceties, Mr. Netanyahu's response to his rival was: good-bye.

"If we do not eradicate factionalism, factionalism will eradicate us," he told members of the party's central committee. "Those who capitulate get nothing, and no one will bring this party to its knees again."

Some Likud officials predicted that the storm would blow over. Mr. Netanyahu, who wants the party to appeal more to middle-class conservatives than to the Israeli working class, had to deal straight on with his "Levy problem," they said.

But others called it a mistake to drive Mr. Levy away, and they raised a charge often made against Mr. Netanyahu: that he thinks more about short-term benefits than long-term needs.

TRAVEL UPDATE

Manila to Tighten Airport Security

MANILA (Reuters) — Security gaps at Manila's international airport are being tightened after the United States said it would cancel flights from the Philippines if improvements weren't made, the airport's general manager said Tuesday. Guillermo Cumanan said in a television interview here that concerns raised by the U.S. Federal Aviation Administration about a bomb attack by militants would be addressed.

The U.S. transportation secretary, Federico F. Peña, told his Philippine counterpart, Jesus Garcia, that the Philippines would lose its U.S. landing rights unless security was tightened. He said the FAA was concerned about the airport's ability to detect a liquid explosive that was used in an attack by suspected Muslim extremists on a Philippine Airlines plane last December in which a Japanese passenger was killed.

A walkout by air traffic controllers and meteorologists in Norway will ground Scandinavian Airlines System flights to and from Norway on Wednesday, the carrier said Tuesday. In addition, SAS pilots, embroiled in a pay dispute with the airline, threatened more one-day strikes on June 9, 12 and 14 if their demands were not met. (Reuters)

The Peggy Guggenheim Foundation will open a new wing Wednesday at its modern art museum on the Grand Canal in Venice, the head of the Solomon R. Guggenheim Foundation announced at a news conference in Rome. Thomas Krens said the first exhibit at the new wing would comprise 16 sculptures by Alberto Giacometti, four of them little-known works. (APF)

Kenya hopes to establish a tourism police force by the end of the year, government officials told the magazine Safari Kenya. Its members will patrol game parks and roads used by tourists and cooperate with the Kenya Wildlife Service. (APF)

Beijing Agrees to Work With UN to Resolve Dispute on Women's Forum

Agence France-Press

BEIJING — China pledged Tuesday to cooperate with a United Nations envoy to resolve a dispute over its decision to move a forum on women's issues to a remote tourist area outside the capital.

The forum is scheduled to begin Aug. 30 and run parallel with the UN Fourth World Conference on Women, which begins Sept. 4.

Organizations from a variety of countries have urged that the forum's organizers ask the United Nations to cancel or postpone the official conference if the unofficial gathering is blocked from taking place in Beijing.

China abruptly announced on April 4 that the unofficial part of the conference would be moved to Huairou, a resort about 50 kilometers (30 miles) from the capital.

It is only natural for UN officials to come here to discuss specific matters with the Chinese side and seek necessary solutions," said a Foreign Ministry spokesman, Shen Guofang. But he rejected the idea that Mr. Kittani's visit was an indication that the dispute was growing more heated.

China will "try its best to cooperate with the United Nations to make the conference a success," Mr. Shen said.

Conference organizers who visited the site in April said that

it lacked adequate telephone and fax lines, that housing was too scattered and that it was too far from the official conference.

Beijing asserted that the forum's original venue was structurally unsound, but some analysts said it changed the site because it was worried about the prospect of thousands of women activists staging protests.

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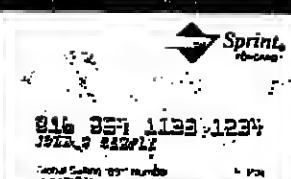
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POLITICAL NOTES

California Speaker Leaves in Style

LOS ANGELES — Willie L. Brown Jr., the speaker of the California Assembly for 15 years, has installed his own successor in Sacramento before heading off to his hometown, San Francisco, to run for mayor.

In a stunning farewell display of political power, Mr. Brown, a Democrat, not only chose his own successor, but in so doing chose someone from the other party and the other sex and the most obscure back bench. She is Doris Allen, 59, an Orange County Republican whose previous claim to political fame was sponsoring a law requiring motorcycleists to wear helmets and another prohibiting fishing with gill nets in the Pacific.

In another parting shot, Mr. Brown also masterminded rule changes that will make him "speaker emeritus" until after the San Francisco mayoral election. What specific power that new title confers was not immediately spelled out. But some of Mr. Brown's aides said the encomium was essentially meant to allow him to "assist" Ms. Allen in the transition of power.

"Fair and square," Mr. Brown crowed in victory. Republicans, frustrated and fuming, stomped off the Assembly floor, but then drank a champagne toast to Mr. Brown's departure. (NYT)

Senate Approves Explosive 'Tags'

WASHINGTON — The Senate has approved an amendment to an anti-terrorism bill to require that dynamite and other commercial explosive materials contain tagging agents that would aid investigators in tracing bombs.

But in a compromise to win the necessary Republican support, the Democratic sponsor of the legislation, Senator Dianne Feinstein of California, agreed that smokeless or black gunpowder would be exempted from the regulation. The move to include the gunpowder, which is popular with gun hobbyists, had been opposed by Republicans and the National Rifle Association. (NYT)

New England Seeks 'Superprimary'

HARTFORD, Connecticut — In a bid to increase their importance in the presidential race, five New England states have moved to create a regional "superprimary" early in the contest. While the exact primary schedule remained somewhat in flux, the change could make New England the first big delegate prize of the campaign.

Given the region's reputation for being more liberal than other parts of the country, it could also offer an early opportunity for more moderate Republicans to gain an important victory.

"We get to be national players," Governor John G. Rowland of Connecticut, a Republican, said recently. "And if we can hang together as a bloc, it can help us to convince the Bob Dole of the world that you don't have to trip all over yourselves trying to appeal to the far, far right to win the nomination."

Mr. Rowland signed a law Monday moving Connecticut's primary to March 5 from March 26, following shifts to the same date by Vermont and Maine over the last few weeks. Rhode Island and Massachusetts were expected to approve similar measures by the end of the summer. New Hampshire, the remaining New England state, intends to continue its tradition of having the nation's first primary. (NYT)

Quote / Unquote

President Bill Clinton, responding to a question in a television interview about a "moral obligation" toward Bosnia: "If you reduce the casualties from 130,000 to under 3,000 and you at least have the ability of cease-fires and ongoing negotiations and you continue humanitarian aid, it seems to me that that is fulfilling a moral obligation." (WFP)

Away from Politics

• A fighter pilot who shot down a U.S. helicopter over Iraq last year testified that the accident could have been avoided if the captain of an AWACS radar plane had warned him that helicopters were airborne in the area. The pilot, Captain Eric Wickson, was a prosecution witness in the court-martial of Captain Jim Wang, 29, the radar officer on duty during the shooting. (Reuters)

• Simultaneous jury selections began in Miami in the murder trials of two men who admitted grabbing the purse of a German tourist who was run over and killed as they fled. Anthony Williams, 20, and Leroy Rogers, 25, are charged with first-degree murder and strong-arm robbery in the death in April 1993 of Barbara Meller Jensen, 39. (AP)

• Alvin Justis, the last of the 168 victims of the Oklahoma City bombing to be laid to rest, was buried in London, Kentucky, which he had planned to revisit this summer. Mr. Justis, 54, was one of the last three victims found in the building. (AP)

• Hurricane Allison drenched fishing villages and beach resorts on Florida's Gulf Coast, then headed inland leaving flooded roads and downed power lines in its path. (Reuters)

• The U.S. Postal Service has set new rates for international mail. Overseas rates will rise about 10 percent on July 9, to 60 cents for the first half-ounce and \$1 for one ounce. (AP)

Turning Point Nears for District Attorney in Simpson Case

By David Margolick
New York Times Service

LOS ANGELES — With the dismissal of two more jurors cutting in half the number of alternates left, the star-crossed trial of O. J. Simpson has moved ever closer to the precipice. Whether it ends up over the cliff depends largely on District Attorney Gil Garcetti, who will surely weigh public opinion polls as closely as the statutes as the case approaches the brink.

Lawyers for Mr. Simpson have challenged Judge Lance A. Ito's decision on one of the two jurors he dismissed Monday. But with an appeals court allowing the testimony to go ahead while the motion was being considered, it now seems clear that only two spare jurors may remain for a case that has already lasted nearly five months and could be only half over. Given normal attrition and the pains of sequestration, that is not likely to suffice.

Almost inevitably, then, the number of surviving jurors will at some point fall below the customary 12.

For the trial then to proceed, both sides must consent. Were they to do so, the trial could continue with as few as six jurors, and the precise would recede at least far enough to allow this tortured case to be run its course — even though, quite possibly, to a hung jury.

Mr. Simpson's chief trial lawyer, Johnnie L.

Cochran Jr., has said he could live with fewer than 12 jurors and probably means it. The defense clearly likes this largely minority panel, even if its favorite — a 54-year-old black man with the severe visage whom Judge Ito dismissed Monday — is no longer among them.

Mr. Garcetti has been far cagier, reiterating with ever-diminishing credibility — most recently on Monday — his confidence that 12 jurors will still be around when testimony ends.

"When we get to zero alternates, then we'll

NEWS ANALYSIS

start seriously considering the issue," a spokesman for Mr. Garcetti said.

But Mr. Garcetti is a politician as well as a lawyer and is up for re-election next year, so while the jury's deliberations are months away, his are surely in full swing.

No one better understands the political dimension of his job than Mr. Garcetti, who defeated his predecessor, Ira Reiner, in 1992 in large part by harping on his poor record in high-profile cases.

Should two more jurors go, Mr. Garcetti could face a choice of either looking profligate with taxpayers' money by insisting on starting anew or fatally inept if he continues and, as many believe, the jury is deadlocked.

"The whole election turns on the trial," said Sterling Norris, a deputy district attorney in

Pasadena who opposed Mr. Garcetti four years ago and plans to challenge him again next year. "If Garcetti wins, we can all pack our bags and go fishing. If he loses or it's a bad hang, he's in deep political trouble."

Most legal scholars and lawyers following the case believe that Mr. Garcetti would prefer to start anew, before another, possibly more congenial jury.

Mr. Simpson's public image has taken a beating since the current jury was impaneled. Prosecutors would have more time to put together a case, and maybe rearrange it, leading with incriminating DNA evidence rather than a long digression into Mr. Simpson's character.

But to many, this is simply a luxury Mr. Garcetti no longer has. By now, the Simpson case has cost the taxpayers of Los Angeles County at least \$6 million, and the sum is growing. Some feel it would be political suicide to abort it for lack of a juror or two, a technicality about which few voters would much care.

There are other reasons for continuing. One is that Mr. Garcetti has repeatedly expressed his faith in this panel, and 11 jurors are surely as trustworthy as 12. Another is that even the quickest retrial would most likely not be completed by March 26, 1996, the date of the nonpartisan primary for district attorney.

"He's better off politically by letting the system run its course," said Robert Tanenbaum, a Beverly Hills lawyer and author who also op-

posed Mr. Garcetti in the last election. "If he short-circuits the system, what he's saying is 'I don't have a strong enough case and/or the 11 who are left aren't fair-minded enough,' both of which are politically untenable."

But others argue that if Mr. Garcetti can survive the short-term criticism, he would be far better off starting again than carrying a hung jury around his neck into his re-election campaign — especially if he can find a face-saving rationale for his decision.

His fig leaf could come from the California Constitution, which explicitly states that in felony cases, "the jury shall consist of 12 persons." State appellate courts have held that, with the agreement of both parties, that number can go down, but the state Supreme Court has never ruled on the question.

Should no more ethical problems surface with these jurors, or should their stamina prove as impressive as their attention span, or should opposing lawyers unable to agree on much else agree to carry on this trial without a few of them, it could limp to a conclusion.

But Erwin Chemerinsky of the University of the Southern California Law Center said this was simply too much to expect.

"My guess is that we're not going to end up with 12 jurors, and we're not going to get both sides to consent," he said. "My guess is a mistrial."

Noncandidate Gingrich's Week on the Noncampaign Trail

By David S. Broder
and Howard Kurtz
Washington Post Service

WASHINGTON — For a man who says he's not running for president, Newt Gingrich has a heck of a busy week in store.

On Monday, the House speaker was in Chicago, drawing a standing ovation at the American Booksellers Association convention, where he was promoting the book he will publish next month.

On Wednesday, Mr. Gingrich, a Georgia Republican will be in Washington, speaking to a luncheon meeting of the Des Moines Chamber of Commerce — a group of movers and shakers in Iowa, the state with the first delegate-selection caucuses of 1996.

And on Friday, trailed by nearly 200 journalists, press buses and helicopters, Mr. Gingrich will begin a four-day sweep through New Hampshire, home of the first presidential primary.

What is the import of all this? Tony Blankley, the speaker's press secretary, laughed off the question. "You give the people what they want," he said.

Peter Hannaford, a public relations adviser for Ronald Reagan when Mr. Reagan was coyly sidling up to his campaign for the presidency, said Monday he has not seen "a phenomenon" like Mr. Gingrich since his former boss. "There was excitement wherever Reagan went," Mr. Hannaford said, "and you see the same thing with Gingrich."

Mr. Hannaford and his former partner in the Reagan campaigns, Michael Deaver, both expressed skepticism that Mr. Gingrich was actually running. "You're seeing somebody who is enjoying himself," Mr. Deaver said.

Officially, Mr. Gingrich has declared himself too busy leading the Republican revolution in the House to think seriously of joining the presidential field.



A protester, right, confronting an audience member at Mr. Gingrich's Chicago speech.

But again Monday he declined to rule out the possibility.

"Why would I ever close the door prior to the book tour?" he said. The promotional tour for his forthcoming book, "Renewing American Civilization," is already scheduled to take him to 25 cities, and on Monday, Mr. Gingrich said he might enlarge it.

He also said that his royalties

would go to a literacy foundation he helped create to encourage youngsters to read. Mr. Gingrich agreed to forgo a \$4.5 million advance from HarperCollins Publishers for this and another book after a storm of criticism that sparked a House ethics committee inquiry.

Mr. Gingrich's speech to the booksellers was briefly disrupted by protesters complaining

about Republican budget cuts in social programs. But at the end, the Georgian received a standing ovation.

The next talk, on Wednesday to 125 Iowans, was arranged a month ago by Representative Greg Ganske, the freshman Republican who represents Des Moines. "It just happened to work out on the speaker's schedule," a Ganske spokesman said.

But all this is prelude to Mr. Gingrich's weekend trip to New Hampshire, which has turned into a huge news media event.

For the 200 journalists who have signed up — more than usually travel even with the president — the excursion has taken on the trappings of a state visit.

There will be press buses and press helicopters, photo opportunities and "press availabilities," all coordinated by an official "Gingrich Trip Office" in Manchester, the state's largest city. The cable network C-SPAN plans live coverage of several Gingrich events, as well as a speech by President Bill Clinton, who is making his own New Hampshire venture, visiting Dartmouth College.

"It is far and away the largest single campaign-style event we've had since 1992," said Carl Cameron, political reporter for Manchester's WMUR-TV. "Gingrich will overshadow everyone. He may even overshadow the president."

Why this saturation coverage for a noncandidate?

"He is the most riveting voice in the party right now," said

Bruce Morton, a CNN political reporter who is making the trip. "Other candidates are responding to his agenda, defining themselves in his terms. I don't think he'll run, but he's a font of ideas."

Mr. Gingrich's packed schedule includes a speech to the Nashua Chamber of Commerce; a satellite talk to the New England Governors Association; a charity hoodoo; a "moose watch"; a Gingrich roast led by Representative Sonny Bono, the former singer and California Republican; and an appearance on the news program "This Week With David Brinkley."

Mr. Gingrich, for his part, has been making light of the intensive news media coverage. "It's going to be hard to look for moose with all these moose in the press corps stomping along with me," he said over the weekend.

His spokesman, Mr. Blankley, said he and the speaker were "totally unprepared" for this level of interest. Mr. Blankley did have one explanation: "Part of it is the silly season," he said, referring to the summer news lull.

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THE WORLD'S DAILY NEWSPAPER

Clinton Opposes Amendment Banning Desecration of U.S. Flag

By Adam Clymer
New York Times Service

WASHINGTON — The Clinton administration on Tuesday said it opposed a constitutional amendment to prohibit desecration of the American flag, saying that the issue presented no problem serious enough to justify amending the First Amendment for the first time.

Walter Dellinger, assistant

attorney general for the Office of Legal Counsel, went out of his way in testimony before a Senate judiciary committee to stress President Bill Clinton's personal "abhorrence of flag burning and other forms of flag desecration."

He said Mr. Clinton, as governor of Arkansas, had first tried to enact a constitutional statute to prohibit intentional destruction of the flag, and when that effort failed, estab-

lished an award-winning "statewide flag-respect" program to teach school children proper appreciation for the flag.

The same amendment was defeated in both houses of Congress in 1990, winning substantial majorities but falling short of the two-thirds majority required for a constitutional amendment. But it appears to command the necessary support in the House, where the Judiciary Committee is expect-

ed to vote for the amendment on Wednesday.

The 1990 efforts followed decisions by the Supreme Court in 1989 and 1990, striking down state and federal prosecutions of flag-burners.

The effort to overturn those decisions has been led by the American Legion, whose national commander, William M. Detweiler, testified Tuesday. "This amendment will not just give the states and Con-

gress the power to prohibit flag burnings," he said, "but will clarify the importance of patriotism as an American value. It will reinstate respect for the flag as one of the guiding principles of our nation."

Senator Edward M. Kennedy, Democrat of Massachusetts and a member of the subcommittee on the constitution, federalism and property rights, said that since the amendment was last defeated in 1990, "we

have not seen an epidemic of flag burning." He said there had been an average of "fewer than eight incidents per year" since then.

But Mr. Detweiler disagreed. "Logic dictates that the numbers of incidents does not matter," he said. "If burning the flag is wrong, it is wrong no matter how many times it occurs. In fact, we contend it is a problem even if no one ever burns another American flag."

Wiretaps on Citizens Abroad Upheld

The Associated Press
 SAN FRANCISCO — The U.S. government can obtain wiretaps of its citizens abroad without following standards set out in the Constitution, as long as the wiretaps comply with foreign law, a federal appeals court has ruled.

While Americans in foreign countries are entitled to some

constitutional protection from U.S. surveillance, that protection is defined by foreign law, not by stricter standards that would apply in the United States, the 9th U.S. Circuit Court of Appeals said in a 2-to-1 ruling issued Monday.

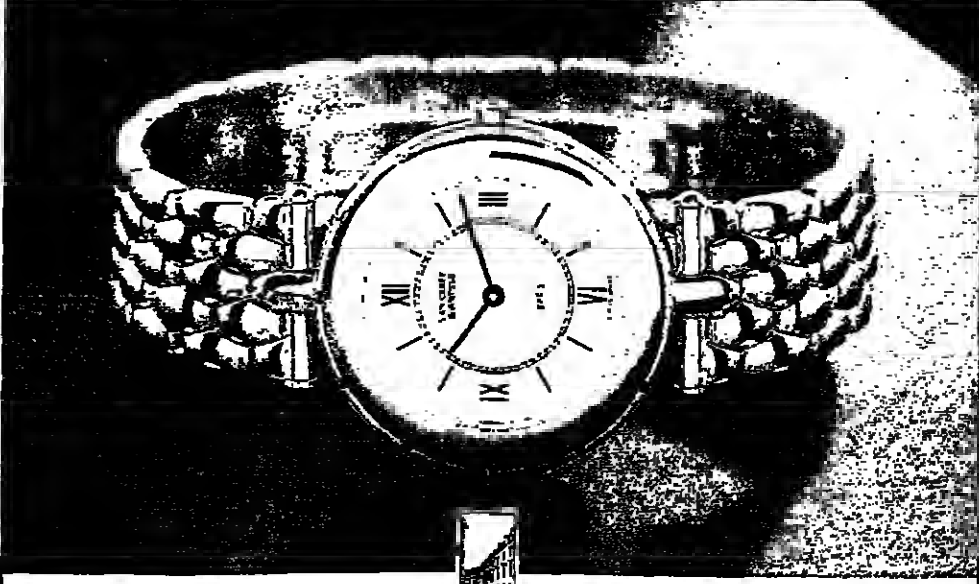
Even if the wiretaps violated foreign law, the evidence would be valid if U.S. agents relied,

reasonably and in good faith, on foreign officials' assurances that the taps were legal, the court said.

The dissenting judge said the ruling "drives one more nail in the coffin of the Fourth Amendment," the constitutional ban on unreasonable searches and seizures.

The court upheld Los Angeles federal prosecutors' use of wiretaps from Denmark and Italy against six people charged with cocaine trafficking.

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The EU's Worst Linguists

BRUSSELS — British, French and Irish officials are the least linguistically gifted in the European Union, according to a new directory of EU politicians and civil servants.

Only 27 percent of British and French officials can speak more than one language, while just 24 percent of their Irish colleagues speak something other than English, according to The European Commission.

At the other end of the scale, 83 percent of Luxembourg politicians or government officials can speak more than one language, followed by 68 percent of their Dutch counterparts and 67 percent of the Belgians.

(Reuters)

Spain Scolded on Fishing

MADRID — The European Union's fisheries commissioner scolded Spanish fishermen Tuesday for keeping Moroccan fish out of Spain, hindering the EU's efforts to conclude a fishing agreement with Morocco.

The Spanish fishermen, who account for nearly all the EU's fleet in Morocco's rich waters, must seek new, unexploited fishing grounds and acknowledge that Morocco has a right to cut back on EU catches, Emma Bonino said on the SER radio network. But a fishermen's association in Andalusia said Tuesday that it was calling a meeting with colleagues in eastern and northern Spain to expand the blockade.



Jean-Luc Dehaene, the outgoing prime minister of Belgium, arriving Tuesday in Brussels for talks on a new coalition.

Paris Warned on Farmers

BRUSSELS — The European Union's executive commission on Tuesday threatened Paris with court action if it did not stop French farmers from sabotaging shipments of Spanish produce moving through France.

After French farmers renewed their attacks on Spanish trucks Saturday, the commission issued another warning to the French government that it must stop the attacks.

(AP)

Chirac and Santer Confer

PARIS — President Jacques Chirac of France and the president of the EU commission, Jacques Santer, found their positions to be "very close" at a meeting Tuesday at the French presidential palace, said a presidential spokeswoman, Catherine Colonna.

Ms. Colonna said the leaders discussed the European-U.S. summit meeting to be held in Washington on June 14, the Group of Seven meeting in Canada on June 15-17, and the European Community talks in Cannes on June 26-27.

(AFP)

Fine on Railroads Lifted

LUXEMBOURG — The European Court of Justice lifted a 1 million Ecu (\$1.3 million) fine on the International Union of Railways on Tuesday, ruling that the European Commission had followed the wrong procedure in imposing it.

The commission fined the union in 1992 for anti-competitive practices that it said prevented passengers from benefiting from cheaper train fares and better service by limiting the number of travel agencies that could compete with national railroad companies in selling tickets.

(Reuters)

Calendar

European Union events scheduled for Wednesday, June 7:

BRUSSELS: Weekly meeting of the European Commission slated to give the go-ahead to cooperation agreements with Moldova and Belarus.

PARIS: Emma Bonino, the EU commissioner for fisheries, meets the French fisheries and agriculture minister, Philippe Vasseur.

VIENNA: EU Transport Ministers meeting.

BRUSSELS: Karel van Miert, the EU Commissioner for competition policy, and Monika Wulf-Mathies, the commissioner for regional policy, meet Kari Beck, prime minister of Rheinland-Palatinate.

LISBON: Franz Fischler, the commissioner for agriculture, meets Portugal's minister of agriculture, António Duarte Silva.

Sources: Agence Europe, AFP.

Panel Urges France to Resume Nuclear Testing

By Joseph Fitchett
International Herald Tribune

PARIS — France will almost certainly carry out a small number of underground nuclear tests in the Pacific after a panel of military experts urged Tuesday that the French government resume testing quickly, officials said.

The tests are needed, the experts said, if France wants to be able to rely on computerized simulations to modernize its nuclear deterrent in the future without additional testing later.

The urgency for a resumption stems from the deadline — the end of 1996 — that nuclear states envisage as the cutoff date for all nuclear-weapon testing. But the published versions of the French report did not say whether France could meet that target if it resumed testing late this year.

For the United States and the other nuclear powers, the timing of French capability to shift to simulation is important because all of them — including China, the only country still testing — have agreed to work for a comprehensive test-ban treaty next year.

In the experts' report just given to President Jacques Chirac — and confirmed Tuesday by the government

after a summary appeared in the Paris daily *Libération* — the main conclusion was that France needed to conduct roughly 10 more tests in order for French scientists to have the data they needed before moving to simulations.

Laying the basis for an early resumption of testing, the military experts' recommendation was in line with views frequently expressed by Mr. Chirac, who publicly opposed the decision in 1992 by his predecessor, President François Mitterrand, to impose a moratorium on nuclear tests.

The French military also reacted vigorously against the Mitterrand decision, which caught the national nuclear lobby by surprise at the time.

But Mr. Chirac may well delay an official announcement of a policy shift for several months while preparing the ground for a package of measures — some of them bound to be expensive — for modernizing France's nuclear warheads.

He will also want to mount a diplomatic bid to soften the outcry against France that is bound to come from countries in the South Pacific following any announcement of plans to resume testing.

Throughout the region, there are strong fears of

possible radioactive pollution from the nuclear-test facilities on Mururoa in French Polynesia.

The nonproliferation treaty, of which France is a signatory, does not preclude nuclear tests, but international support for the decision last month to make the treaty permanent was partly based on the commitments of France and the other nuclear powers to pursue the test-ban treaty next year.

Without referring directly to that deadline, the report said that France must be ready with laboratory substitutes for testing by the year 2002 in order to be able to safeguard the credibility and safety of its nuclear deterrent.

The laboratory for that program would be near Bordeaux, where France is to start work next year on the main laser facility for simulations of nuclear blasts.

France could move faster on the simulation program, expected to cost about 10 billion francs (\$2 billion), if it is able to acquire U.S. technology in the field.

While the Clinton administration could be expected to favor a deal of this sort, officials have never acknowledged any U.S.-French negotiations on the question. Even with U.S. help, French scientists reportedly will still want the extra tests.

Westerners Head to Russia for an Affordable Lift

By Alessandra Stanley
New York Times Service

MOSCOW — In the bad old days of Soviet totalitarianism, the worker's paradise did deliver on at least one promise of equality for all.

Anyone who wanted it could get an affordable face-lift. Those days are over.

Ten years ago, at state-run clinics, actresses and cleaning ladies alike could get face-lifts, eye-lifts and oose jobs for less than \$100.

Now, such operations cost 10 times as much, and the Russian clientele for cosmetic surgery is now mainly made up of the new rich: wives, girlfriends and sometimes gangsters-turned-businessmen who fashion their own witness protection programs by radically altering their looks.

Some of the top surgeons who toiled in Soviet plastic-surgery assembly lines for factory-worker wages are building thriving private practices.

A few of the best are finding that clients from Britain, Germany, Italy and even the United States are showing up at their doors, requesting liposuction, eye-lifts and breast implants, which are increasingly costly and controversial in the West.

To clients from the West, such operations are inexpensive, and they are unencumbered by consent forms or ethical questions.

"Surgeons in the West work in a very rigid frame," said Dr. Igor A. Volk, one of Russia's best-known — and prolific — plastic surgeons. "They are afraid of being sued by their patients — they fear complications, they fear leaving bruises."

He added proudly, "I do the big, bold operations Western doctors are afraid to do."

A growing number of European customers are not afraid to trust him.

"He is a genius, a god," said a wealthy 65-year-old Finnish patient, who went to Dr. Volk recently to have her face, eyes and neck done, and who asked not to be identified. "I look 30 years younger."

The Finnish patient said a friend in Amsterdam had told

her about Dr. Volk. Her total expenses, including three procedures, medication, a 12-day stay in the clinic, food and transportation from Helsinki was about \$2,500.

"It's embarrassingly cheap," she said with a giggle. "In the U.S., just the face-lift alone would have cost me \$12,000."

Medical malpractice suits are extremely rare in Russia. Most doctors do not bother with liability insurance. And although letters to the editor pages of newspapers are filled with horror stories, dissatisfied patients have little recourse.

Dr. Volk, 47, a cheerful, stocky man with a black beard and a warm, engaging manner, draws clients from all over Europe, as word of his expertise travels.

He has done more than 16,000 face-lifts in the past 20 years and charges about \$500 a procedure. Most of it goes to the clinic where he works, a former state institution that is now owned by a private company that has done little to update the facility's bleak Soviet-era furnishings.

No diplomas clutter the walls of Dr. Volk's office, which is shabby, with nylon flowered curtains in the window and linoleum floors. Though showing signs of wear, his operating

room has up-to-date equipment. He said he can buy all the plasma and medical supplies he needs, including silicon breast implants from Europe.

But the walls are peeling, nurses use vinegar as a disinfectant and disposable rubber gloves are carefully washed and reused.

"The bathrooms were horrible," the Finnish client confided. "But I would put up with far worse to be this beautiful."

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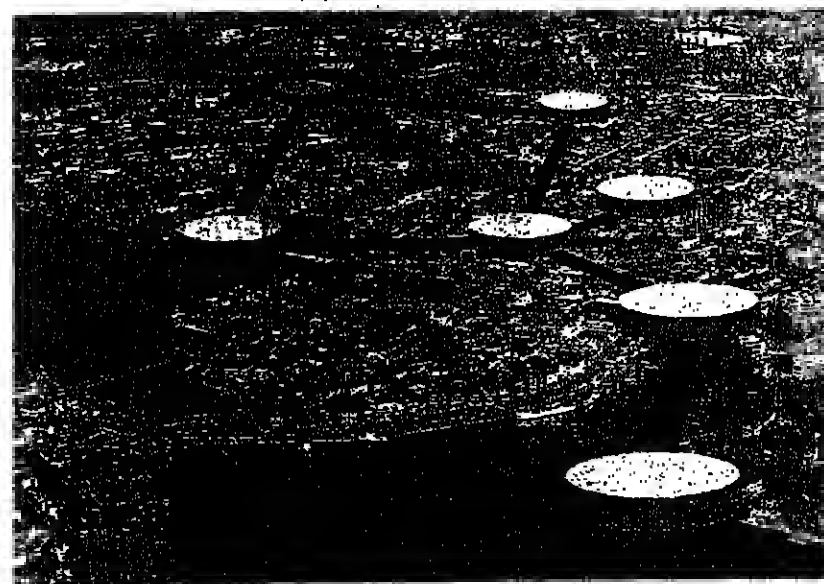
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ERICSSON

Pioneering Stockholm broadband project uses Ericsson optical switch technology



A schematic diagram of the proposed Stockholm Gigabit Network — the new optical network research project jointly funded by Ericsson and Telia.

AXE installations set new record

Confirming its status as the world's most widely used mobile phone system for public use, the AXE system has set a new record worldwide at a time when mobile phone usage is booming.

In calendar 1994, 15 million sets of AXE were installed, an increase over 1993. Of these, 10.7 million were local area networks, and 4.3 million were nationwide networks.

By the end of 1994, there were 94 million lines of AXE installed and on order. The 100 millionth set will be installed this year. The largest markets, measured by total sets installed, are the United Kingdom, Australia, Mexico, Sweden and China.

The AXE system is used in more than 110 countries, in public and private networks as well as in mobile phone systems.

Stockholm, Sweden: Ericsson is collaborating with Telia, the Swedish telecom operator, in an important optical network research project regarded as a testbed for the technologies that will be needed for new services such as Video on Demand and Video Telephony.

Called the Stockholm Gigabit Network (SGN), the experimental network connects sites belonging to Ericsson, Telia and Eltel (the development company jointly owned by Ericsson and Telia) in the Stockholm area.

First-quarter results show continued growth

Interim results for the first quarter of 1995 show Ericsson's pre-tax profits up by 48% to SEK 1,206 million on consolidated net sales 24% higher at SEK 19,806 million. Order bookings for the first three months were up by 21% at SEK 25,921 million.

All business areas contributed to the increase in order bookings and sales. Radio communications accounted for 80% of order bookings.

The US remains Ericsson's largest market, accounting for slightly more

than 10% of net sales, followed by Sweden, China and Great Britain. The company reports strong rises in net sales in Japan, Australia, Malaysia and France.

The first quarter of 1995 was characterized by strong growth, commented Ericsson Chief Executive Lars Ramqvist. "Order bookings have now increased for the fourteenth consecutive quarter, and we can also report a positive trend in net sales and earnings."

US\$ 182 million PCN breakthrough in Asia

Ericsson has won a breakthrough order in Asia for Personal Communications Network (PCN) technology.

The US\$ 182 million order from Multiara Telecommunications Sdn Bhd in Malaysia covers infrastructure, switching equipment and mobile phones for a PCN network that will initially serve Peninsular Malaysia.

There are already some 600,000 mobile phone subscribers in Malaysia, representing about 3% of the population. It is expected that

the new PCN systems will stimulate growth to well over one million users by the end of 1995, and perhaps three million by the turn of the century.

Operating at 1800 MHz, the Ericsson DCS 1800 system is particularly suited to densely populated metropolitan areas where traffic volume is the main challenge, rather than range.

The largest DCS 1800 network in the world, operated by Mercury One-2-One in the United Kingdom, was delivered by Ericsson.

New PCN phone is smallest, lightest

The recently-launched Ericsson PH337 pocket phone has been specifically developed for use on Personal Communications Networks.

With a weight of just 193 g and a volume of 148 cc (with the smallest of three battery options), it is claimed to be the smallest and lightest PCN phone on the market. Yet it offers 120 minutes of talk time on a single charge, increasing to 240 minutes with the largest battery. On-screen menus allow users to access all the functions and services they require quickly.



PH337 weighs just 193 grammes

'Mobile phone of the year' — again!

An Ericsson portable phone has been chosen as 'Mobile phone of the year' for the second year running, in the UK's annual Cellnet CAESAR awards.

This year it is the GH337 digital phone. Last year it was the EH237 analogue phone.

The CAESAR awards are for excellence, service and reliability in the mobile phone industry. There are twelve individual awards, of which the 'Mobile phone of the year' award is the most prestigious.

Ericsson also scooped three other awards at this year's ceremony: for Design, Customer Awareness and Service to Customers.



GH337 wins top UK award

New Ericsson modem offers high speed for low cost

After 25 years designing and producing high-performance modems for advanced systems and applications, Ericsson has launched its first data modem aimed at the business community.

The V.34 DT modem is an extremely compact, low-cost unit that can be

connected to a single computer or to a company LAN (Local Area Network). It supports high-speed data rates up to 28,800 bps.

The main application is expected to be among people who use the Internet, bulletin boards or other on-line information and communications services.

New microchip fab in operation

Ericsson's new US\$ 100 million semiconductor fab (wafer fabrication facility) at Kista, Sweden, has gone from green field site to commercial operation in just two years.

The first Ericsson-designed micro-device to be produced in the fab is eVery Large Scale Integration (VLSI) chip to be used in the switch cores of the AXE switching system. It has 100,000 gates, and will be manufactured using a CMOS wafer process using the latest 0.5 micron technology.



World round-up

Philippines: Ericsson is to supply and install fixed telephone lines for the Philippine Long Distance Telephone Company (PLDT) in Metro Manila and Cebu. The US\$ 100 million project includes copper and optical fibre networks that will allow a further 175,000 subscribers to be added to the network.

Italy: Ericsson is to supply switching and transmission equipment and radio base stations worth Lire 350 billion for the expansion of Telecom Italia's GSM network. The new equipment will be manufactured at Ericsson's plant in Pagan, Italy.

Spain: Ericsson has been selected to supply GSM cellular network infrastructure for the Airtel network, to go into service in Madrid, Barcelona and five other cities by October this year. Airtel will be the second GSM network in Spain — and the second using Ericsson technology.

Japan: A major expansion of the Kansai Digital Phone Compromise (KDP) mobile phone networks serving Osaka, Kyoto, Nara, and Kobe will use Ericsson switches and radio base stations worth Yen 12,260 million.

Telefonaktiebolaget LMI Ericsson, S-126 25, Stockholm, Sweden.

Ericsson's information-on-demand database can be addressed at: www.ericsson.com

Ericsson's 75,000 employees are active in more than 100 countries. Their combined experience in switching, radio and networking makes Ericsson a world leader in telecommunications.

INTERNATIONAL

Ex-U.S. Aide Charged in Drug Cartel Plot

By Neil A. Lewis
New York Times Service

WASHINGTON — In what officials said was a striking demonstration of the corrupting influence of drugs on the legal system, a former senior Justice Department official who once led efforts to extradite leaders of the Cali cocaine cartel in Colombia has been indicted on charges of helping the cartel in a criminal conspiracy.

Michael Abbell, one of 62 people accused in a Miami indictment of taking part in a cocaine-smuggling conspiracy, was a section chief in the Justice Department's criminal division during the Reagan administration's war on drugs in the early 1980s.

Kendall B. Coffey, the U.S. attorney for southern Florida, called the case "the single most significant prosecution in history against the Cali cartel," which he said had been responsible for 80 percent of the

cocaine imported to the United States since 1984.

Mr. Coffey said Mr. Abbell and the other lawyers named in the indictment on Monday were part of a "network of protection the cartel had engineered." Two of the other lawyers, Joel Rosenthal and Donald Ferguson, are former federal prosecutors in Florida.

But it is the accusation against Mr. Abbell that provides the most pointed example of how some former law-enforcement officials may use the knowledge they gained as government lawyers to benefit the people they once tried to jail.

Mr. Abbell worked for the Justice Department for more than 17 years. From 1981 until he left for private practice in 1984, he was head of the criminal division's international affairs office, which sought custody of international fugitives so they could be tried in the United States. In that post, department officials said, he had gained enormous knowledge in how

the government pursued international drug suspects.

Six months after resigning, he began giving legal advice to Gilberto Rodriguez Orejuela, one of two men said to have founded the Cali cartel, on avoiding extradition from Spain.

At the time, Mr. Abbell obtained a formal ruling from the Justice Department that it would not be a conflict of interest for him to participate in the case. A Spanish judge ruled that Mr. Rodriguez should be tried in Colombia, and Mr. Abbell later appeared in a Cali courtroom to advise Mr. Rodriguez, who was acquitted.

Mr. Abbell is charged with several actions designed to obstruct the prosecution of Mr. Rodriguez and his brother, another reputed cartel leader. The indictment charges that Mr. Abbell knowingly induced arrested cartel members to make false statements and helped distribute drug money to the cartel members and their lawyers.

Guatemala and Mexico United by Rebels

By Larry Rohter
New York Times Service

GUATEMALA CITY — Confronted with separate guerrilla movements on their common border, Guatemala and Mexico are trying to cast aside political and ideological differences and are stepping up their military and political cooperation.

Guatemala's armed forces, which since the early 1960s have been fighting a civil war with leftist guerrillas, are now providing informal military assistance to their Mexican counterparts, said Guatemalan military and government officials.

In return, they said, Guatemala expects Mexico to press Guatemalan guerrillas to be more flexible in the negotiations now under way to bring that war to an end.

"We now have a bilateral relation with them that is very good," a Guatemalan military official said, referring to the Mexican government. He attributed the friendlier relationship to a situation in which "one guerrilla movement is in ascendancy and the other in decline."

identity since Spanish conquistadors subjugated their Mayan ancestors five centuries ago.

From June 8 to 10, President Ernesto Zedillo of Mexico is to visit the Guatemalan capital for talks with President Ramiro de Leon Carpio and other officials.

Mexican officials scoff at the notion that their attitude toward Guatemala has changed as a result of the Zapatista rebellion, which began on Jan. 1, 1994, but which has recently been quiet as the gov-

ernment sought to seek advice from their Guatemalan colleagues.

"They came to ask about our experience in tactics, on explosives and on guerrilla counterinsurgency," a Guatemalan military official said.

Guatemala's willingness to collaborate with Mexico is tempered by resentment over what many government officials here regard as Mexico's history of tacit support for and encouragement of the guerrilla movement here.

"The Mexicans are now reaping the fruits of the very same seeds they themselves sowed," a former member of the Guatemalan Army's high command said, a certain satisfaction in his voice.

In addition to the ideological question, Mr. Zedillo must also contend with the traditional mistrust and suspicion many Guatemalans harbor toward their vastly larger and more powerful northern neighbor.

"Mexico is to Guatemala what the United States is to Mexico," a prominent Guatemalan politician said.

In February, the Guatemalan government sent several thousand soldiers to the border region, press reports said. That action was said to have taken place in the request of the Mexican government to prevent Zapatistas from crossing into Guatemala as they retreated from Mexican forces.

A Guatemalan military official attributed the friendlier relationship with Mexican counterparts to a situation in which "one guerrilla movement is in ascendancy and the other in decline."

ernment and guerrilla leaders have held talks.

"Mexico has been committed to the process of peace in Guatemala for many years, independent of any consideration of the problem we confront in the state of Chiapas," Guillermo Cosío Vidaurri, the Mexican ambassador to Guatemala, said in an interview in May.

It is clear, however, that Mexico now believes that it can learn something from the Guatemalan military, which in the past has been regarded by the Mexican press and government as little more than thugs. Recently, for instance, a delegation of Mexican military officials arrived in Guatemala to seek advice from their Guatemalan counterparts.



20,000 PROTEST IN JOHANNESBURG — Demonstrators marching Tuesday to push for changes in apartheid-era labor laws. They carried portraits of two rivals, President Nelson Mandela and Chief Mangosuthu Buthe.

Mandela Meets With Police Over His Order to Kill

Reuters

JOHANNESBURG — President Nelson Mandela has explained to the police here how he told supporters to kill if necessary before unrest in which 60 people died in 1994, officials say.

"The president fully briefed me on the context within which he made his statement with regard to the incident," Chief George Fivaz said in a statement after the meeting late Monday.

Mr. Mandela has faced a barrage of criticism from his black and white opponents since he acknowledged last week that

he told guards at the Johannesburg headquarters of his African National Congress to kill if necessary to protect the building against Zulu demonstrators on March 28 last year.

About 60 people were killed in and around the city that day.

Eight of them died outside the ANC headquarters in what became known as the Shell House massacre, when supporters of the Zulu party Inkatha were protesting the country's first all-race elections to be held the next month.

Inkatha had urged Chief Fivaz to charge

Mr. Mandela as an accomplice to murder. But in his statement, the police chief said, "as is customary with all such cases, the relevant attorneys-general will decide on the appropriate action to be taken."

Mr. Mandela has called a parliamentary debate on the issue for Wednesday.

It was last Thursday when he took responsibility for the deaths at Shell House in remarks to senators, calling the order to kill if need be "absolutely necessary."

Some analysts say his instructions have to be viewed in the context of the rising anarchy in South Africa at the time.

Burundi Troops Surround a Hutu Rebel Enclave

Reuters

BUJUMBURA, Burundi — Burundi's mainly Tutsi government army ringed a rebel enclave in the capital on Tuesday, hut well-armed Hutu militiamen seemed ready for a fight.

Troops backed by tanks and armored cars circled the Kamenge suburb after Prime Minister Antoine Nduwayo ordered the army to flush out the gunmen following a weeklong siege.

But the army sweep was delayed, military officials said, because they were waiting for Kamenge's remaining civilians to be evacuated by civilian authorities.

The defiant response by militiamen also may have stayed the army's hand.

One leader, known as Savimbi, told the BBC by telephone Monday that his men were ready to fight the army.

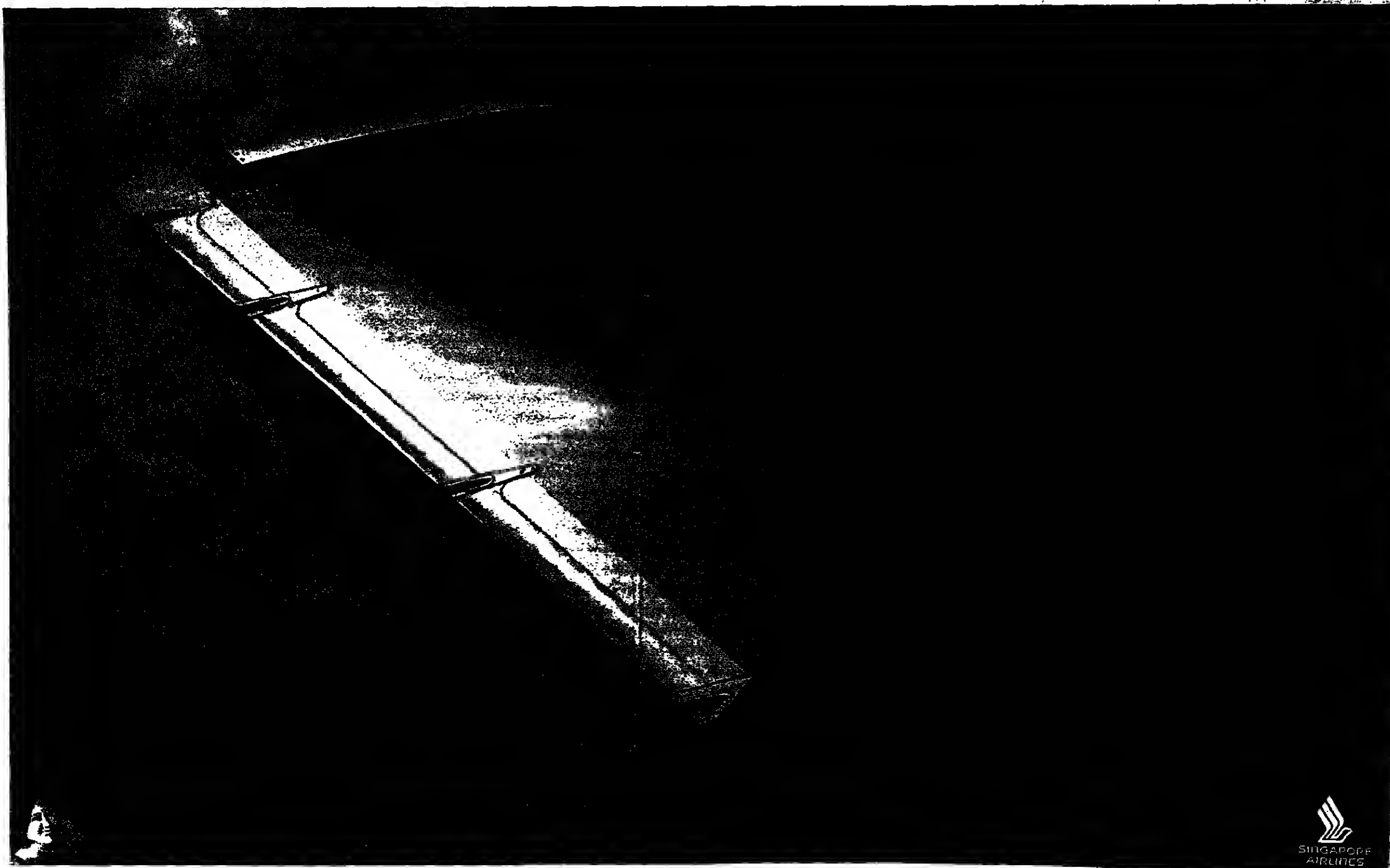
Bujumbura's Tutsi mayor, Pie Ntuyankundiye, said, "There are militia barricades in back streets all over Kamenge, and there was shooting this morning."

"We are just waiting," an army officer said.

Mr. Nduwayo, a Tutsi, ordered the operation late Monday. "Today we can no longer wait," he said on state radio.

"The government cannot accept that a portion of Burundi's territory, however tiny it is, should be occupied by terrorists who kill and chase away the population."

He urged civilian residents to evacuate Kamenge, which normally has a population of 40,000 to 50,000 Hutus. At least 20,000 have fled since clashes erupted last Wednesday.



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Drug Label Language

People struggling to decide which heartburn remedy to buy or whether that over-the-counter diet pill is safe will soon get simpler labels on nonprescription drugs.

Eventually, there will be no more squinting at bottles labeled with medical jargon in tiny print, the U.S. Food and Drug Administration says.

"Important warnings could be hidden in those big blocks of print," said the agency's Dr. Michael Weintraub. "What you want is to just pick it up and say, 'Look, should I buy this? Or 'No, people with hypertension shouldn't use this,' or 'People who are balding shouldn't use this.'"

The agency's goal is to let consumers be able to tell, at a glance and in everyday language, how to properly use a nonprescription drug, its side effects and when to see a doctor. Up until now, this labeling by makers has been done for the most part on a voluntary basis.

It will take several years for all drugs to comply, but the first newly labeled products are now reaching the market.

Short Takes

All but 1 or 2 percent of the burglar alarms that go off in the United States are false alarms, according to the International Association of Chiefs of Police. On the other hand, it said, dwellings with alarms are seven times less likely to be burgled than those without. Some cities fine householders for false alarms; Seattle, for instance, charges \$50.

A group of residents of the Denver suburb of Park Hill sued the city in 1981 over the noisy jets from nearby Stapleton International Airport. It finally closed three months ago when Denver

International Airport, opened in a more sparsely settled area 20 miles away. Today, "it's just like we moved and settled in a new place," said one Park Hill resident, Bill Roberts. "You can now carry on conversations, listen to television, talk on the telephone, and work in the yard without noise. You can now do all the normal things that other people take for granted."

The Women's Christian Temperance Union, once 400,000 strong, is dying. Fewer than 20,000 women still belong, and their average age is 55. Founded in 1874, the once-powerful organization stormed saloons, crusaded for abstinence from alcohol and helped usher in Prohibition. Now, the WCTU is trying to recruit younger members from church groups, but many women are too busy with their jobs and families, a spokeswoman said. Does this mean that the WCTU is a failure? Hardly, says Bob Anderson of the National Association of State Alcohol and Drug Abuse Directors. Fully 30 percent of adult Americans do not drink. "Much of that is the influence of the WCTU and some of the various religions," said Mr. Anderson. "I would personally hate to see it go out of existence."

What's wrong with America? "The Bridges of Madison County," that's what, says Joseph Farah, publisher of "Dispatches," a conservative newsletter. In the latest issue, he asserts that the novel, about "a brief, but intense" adulterous affair, "mocks American values and standards of civility." He denounces "the arrogant elitism of these social misfits. They eat only vegetables, while the overweight and barbaric yokels from Madison County actually slaughter their prize livestock." Mr. Farah likens the hero to "one of those malcontents who live off grants from the National Endowment for the Arts while decrying the tastes of the tax-paying rubes that make them possible."

International Herald Tribune.

Protesters Firebomb Japanese Cultural Center in Seoul

Agence France-Press

SEOUL — A group of students firebombed the Japanese cultural center here Tuesday as Tokyo struggled to extinguish a controversy caused by a conservative politician's remark that Japan's occupation of Korea before and during World War II was carried out "amicably."

About 100 students hurled gas bombs at the cultural center, starting a fire that damaged two floors of the building, a police spokesman said. He said 58 students were arrested.

The students, some wielding metal pipes, poured out of a subway station Tuesday morning and tried to force their way past guards at the building's entrance.

After being rebuffed, they hurled 30 firebombs and scattered leaflets reading: "Japan, apologize for the wars of aggression" and "We oppose the Japanese plot to revive militarism."

Riot police were rushed to the nearby Japanese Embassy to guard it against possible attacks.

A spokesman for the embassy said no one had been hurt in the attack.

The firebombing came a few days after Michio Watanabe, a top legislator in Japan's conservative Liberal Democratic Party and a former foreign minister, sought to justify Japan's annexation of Korea from 1910 to 1945.

Mr. Watanabe said at a meeting Friday that Japan's occupation was concluded, "amicably, not by force," and that Tokyo "once governed Korea" but its annexation was not colonial rule.

Japanese troops invaded the Korean Peninsula in 1905, hunting down and killing thousands of resistors. Tokyo annexed the country in 1910, deposing the monarchy and forcing all Koreans to pay obedience to the Japanese emperor.

On Monday, Prime Minister Lee Hong Koo of South Korea expressed "shock and concern" over Mr. Watanabe's remarks, saying that his "absurd" comments would hamper efforts by the two nations to develop their relationship.

Mr. Watanabe later apologized for the remarks, saying that during Japan's rule over Korea, its people were subjected to "unbearable sufferings." He added that he should have dropped the word "amicably."

In an attempt to defuse the mounting anger in Seoul, the Japanese government on Tuesday repeated its apology for the occupation.

"We feel remorse for our colonial rule over the Korean Peninsula and the unbearable suffering it caused," the chief cabinet secretary, Kozo Igarashi, said at a news conference.

But Mr. Igarashi refrained from issuing an official comment on Mr. Watanabe's remarks.

Imprisoned in a N.Y. Brothel
Smuggled Into U.S., Thai Tells of Servitude

By James McKinley Jr.
New York Times Service

NEW YORK — A young Thai woman called the federal prison in the United States "a lovely place" compared with the brothel where she and 30 other women had been virtually imprisoned.

The woman, Sunun Chalemsan, 23, described to a federal jury the miserable existence she had led for three weeks inside a heavily guarded Chinatown brothel where women smuggled from Thailand were forced to have sex with men in order to buy back their freedom from the smugglers.

But Ms. Chalemsan admitted that she and other women had lied to federal prosecutors when the police closed down the establishment in November.

At first, the women told investigators that the brothel owners had tricked them into coming to New York by promising them restaurant jobs and then had forced them into prostitution.

In court, Ms. Chalemsan acknowledged that the women had known all along that they would be prostitutes.

She was testifying in federal district court in Manhattan in the trial of Joseph Morales, 43, a former corrections officer, who is accused of being part of a conspiracy to kidnap women in Thailand and smuggle them to New York City for prostitution.

Prosecutors contend that Mr. Morales was one of the brothel's guards. Nine other people have pleaded guilty to the charges.

A farmer's daughter from a poor family of seven children, Ms. Chalemsan said that she had been lured into prostitution in August 1994 by her brother's neighbor in Bangkok, a man named Tony. She said that she knew other Thai women who had made good livings as prostitutes abroad.

Ms. Chalemsan said that the prostitutes were forced to work from 11 A.M. to 3 A.M. She lived in close quarters with 30 other women behind a series of locked doors. Whenever the police raided the place, she said, the women were herded through a secret door into a dark basement room.

"How long would it take to pay off the debt to Tony?" asked the prosecutor, Sharon McCarthy. "A long time," she replied. "Maybe years."

J.P. Eckert, Computer Pioneer, Dies

The Associated Press

BRYN MAWR, Pennsylvania — J. Presper Eckert, 76, who helped herald the new information age by co-inventing the first electronic digital computer, has died after a long battle with leukemia. He was 76.

Along with John W. Mauchly, Mr. Eckert co-invented the Electronic Numerical Integrator and Computer. Mr. Eckert was a research associate at the University of Pennsylvania in 1943 when he began work with Mr. Mauchly on the ENIAC, a 30-ton machine containing

18,000 vacuum tubes that was developed to determine artillery shell trajectories. The first ENIAC was completed in February 1946.

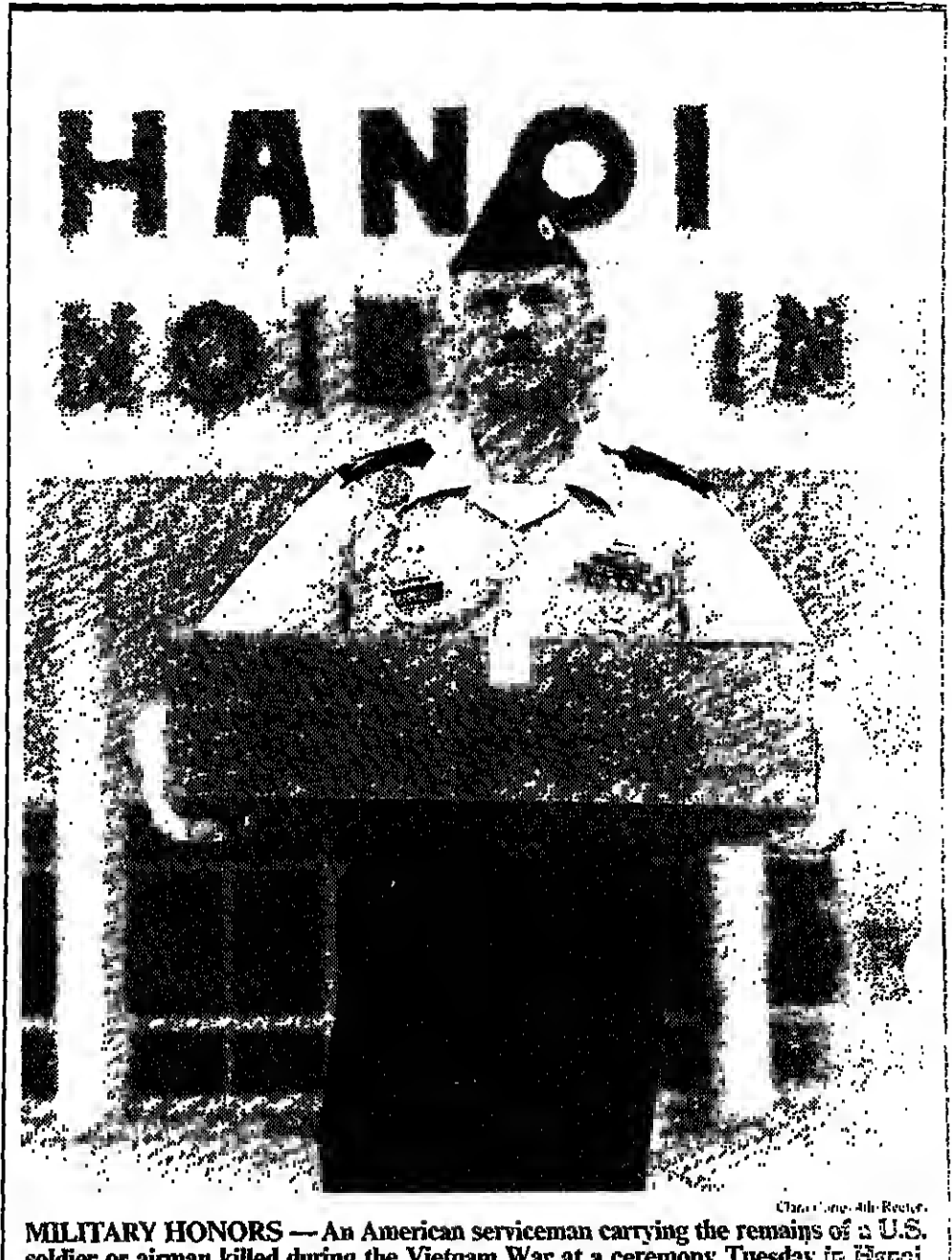
Later that year, the two founded the Eckert-Mauchly Computer Corp. In 1950, Remington Rand acquired their company and changed the name to Univac Division of Remington Rand. Mr. Eckert remained active in the computer field even after his retirement from Univac in 1989.

Dilys Powell, 93, who reviewed movies for The Sunday

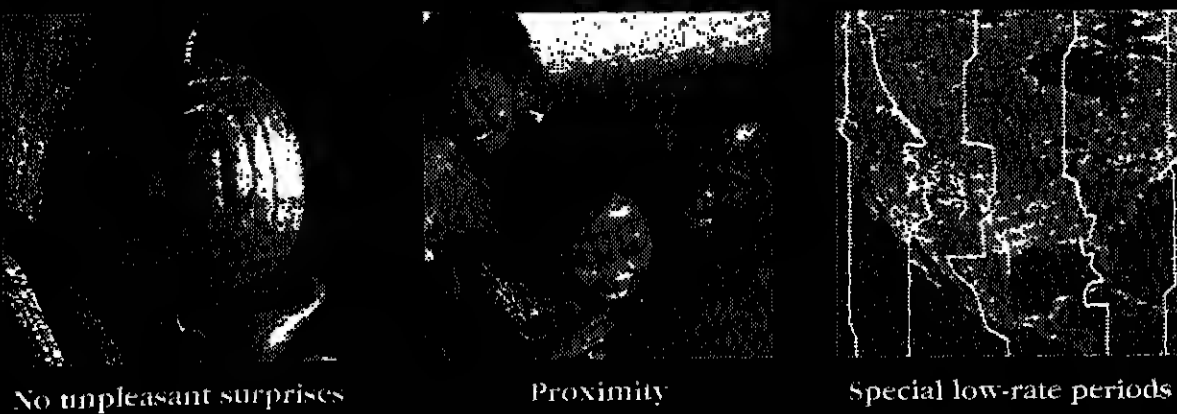
Times of London for 55 years, died Saturday in London following a series of strokes. Her last review appeared in Sunday's paper.

Eino Hjalmar Friberg, 94, a poet and playwright who received the highest civilian award of his native Finland for his translation into English of the Finnish epic "Kalevala," died Saturday in Cambridge, Massachusetts.

Frank Waters, 92, historian and author of more than two dozen books, died Saturday in Taos, New Mexico.



MILITARY HONORS — An American serviceman carrying the remains of a U.S. soldier or airman killed during the Vietnam War at a ceremony Tuesday in Hanoi.



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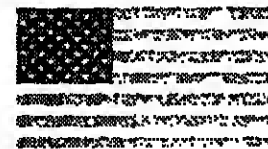
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INTERNATIONAL

Hostages Moved in Bosnia in What May Signal Release

Compiled by Our Staff From Dispatches
PALE, Bosnia-Herzegovina — Bosnian Serbs gathered UN hostages Tuesday in possible preparation for another release of peacekeepers taken captive after NATO air strikes, sources in this Serbian rebel stronghold said.

The release, which some reports said would come Tuesday night, was delayed at least until early Wednesday, a border control officer at the town of Mali Svrnik said.

The Bosnian Serb news agency, SRNA, had reported earlier that 58 UN hostages had been taken by his to the Bosnian border town of Zvornik to be released and taken across into Serbia. It said another bus carrying an undetermined number of hostages would follow. Mali Svrnik is on the Serbian side of the border.

Belgrade's independent BETA news agency said about 100 hostages would be freed immediately and more would be let go soon.

It quoted an unidentified Bosnian Serb official as saying that the Serbs had received assurances from the North Atlantic Treaty Organization that there would be no more air raids — a key condition the West has refused to consider to date. More than 250 UN troops remain in Bosnia.

The Bosnian Serbs' press center in Pale invited reporters to Zvornik, on the Bosnia-Serbia border, to witness the release but offered no details.

A release also appeared immediately after the Serbian president, Slobodan Milosevic, sent his state security chief, Jovica Stanić, to the Bosnian Serbs' headquarters in Pale, outside Sarajevo, on Monday.

Mr. Milosevic has criticized the Bosnian Serbs

for taking hostages and called on them to release the peacekeepers as soon as possible.

Greece's foreign minister, Karolos Papoulias, and its defense minister, Gerasimos Arsenis, were optimistic after a meeting with Mr. Milosevic on Tuesday afternoon in Belgrade. They also held six hours of talks with leaders of the Bosnian Serbs on Monday night in Pale.

"We expect positive results within the next few days," Mr. Papoulias said.

"Messages from Pale and Belgrade are a cause for optimism since both agree the war in Bosnia could be solved only by political means and diplomacy and not by military means or war," he said.

The Bosnian Serbs, meanwhile, told a reporter from an American television network on Tuesday that they had not captured the American pilot whose F-16 fighter plane was shot down over territory controlled by them last Friday.

Peter Arnett, a correspondent for CNN, reported that Jovan Zameca, the chief adviser to the Bosnian Serbs' leader, Radovan Karadzic, had told reporters that Serbian forces had not found the pilot.

A senior U.S. defense official said Monday that American rescue teams had received electronic beeper signals suggesting that the pilot may still be alive. But the signals were no longer being received by searchers in the area, the U.S. Defense Department said on Tuesday.

In northwestern Bosnia on Tuesday, two civilians were killed and a third was wounded when shells slammed into a UN "safe area," a UN spokesman said.



Vice President Al Gore, left, Secretary of State Warren M. Christopher and President Bill Clinton admiring a Hungarian Ikarus bus Tuesday that is to operate in Washington.

U.S. Shifts on Troop Dispatch

By Eric Schmitt
New York Times Service

WASHINGTON — A day after announcing that 3,500 American troops would move from Germany to Italy to be ready for a possible evacuation of United Nations peacekeepers from Bosnia, the Pentagon on Tuesday scaled back the size and scope of the commitment.

A Defense Department spokesman, Kenneth Bacon, said Tuesday that only 1,500 troops would go to Italy for an exercise, but he cautioned that that could change.

Senior military officials told

reporters late Monday that 3,500 troops and more than 100 attack and transport helicopters would go. Mr. Bacon had then emphasized, "This is not an exercise; this is positioning."

The confusing about-face came after White House aides angrily upbraided Pentagon officials for announcing troop movements that had yet to be formally approved by North Atlantic Treaty Organization allies, including Italy, administration officials said.

White House and NATO officials also expressed anger that Pentagon officials had disclosed new information indicat-

ing that the pilot of an American F-16 that was downed over Bosnia on Friday might have survived.

"If he is on the ground trying to avoid capture, it's not in his best interests for this stuff to be all over CNN," a NATO officer said.

The military began receiving intermittent electronic transmissions Monday from a beacon that the pilot carried with him.

Mr. Bacon said that no transmissions had been picked up Tuesday, and he noted that commanders had "always had reason to doubt the signals."

Dole to Propose Limits on U.S. Troops

Compiled by Our Staff From Dispatches
WASHINGTON — The Senate Republican leader, Bob Dole, said Tuesday that he would propose that Congress allow the use of U.S. ground troops in Bosnia only to support a withdrawal of UN forces there.

"Withdrawing UN forces is the first step away from failure

and toward a solution," Mr. Dole told the Senate. Mr. Dole, a candidate for the Republican presidential nomination, has been advocating a UN withdrawal and the lifting of an arms embargo.

Mr. Dole said his proposal, to be presented in the next few days, would also impose several conditions on the use of ground troops. One would require that the troops be allowed to retaliate if they were attacked.

Another would stipulate that there would have to be agreement among the allies on what to do after the withdrawal, such as lifting the embargo so Bosnian Muslims could defend themselves better against Bosnian Serbs.

Republicans in Congress have grown increasingly critical of the administration's Bosnia policy. Officials will testify before Congress on Wednesday in

an effort to explain their position on using ground troops in Bosnia, a stance that has shifted in the last week.

Defense Secretary William J. Perry and General John M. Shalikashvili, chairman of the Joint Chiefs of Staff, will be the first up before the Senate Armed Services Committee.

Secretary of State Warren M. Christopher will be off on a Midwest tour but his No. 3 official, Peter Tarnoff, will be taking questions Thursday from the Senate Foreign Affairs panel.

"I think the American people deserve and the Congress of the United States deserves to know exactly what our policy is, if there is one — we hope there is one — and what Americans are going to be asked to do," said Senator John McCain, Republican of Arizona.

(Reuters, AFP)

In Israel, Kohl Visits Holocaust Memorial

Jerusalem — Chancellor Helmut Kohl of Germany on Tuesday visited Israel's national memorial to the 6 million Jews killed in the Nazi Holocaust and expressed shame at the slaughter.

Mr. Kohl later held talks with Prime Minister Yitzhak Rabin and said they had both "underlined how important" they considered the completion of the Arab-Israeli peace process.

In a brief address at the Yad Vashem memorial complex, Mr. Kohl said, "One can look only with shame at what was done in the name of Germany to innocent people."

The German leader, making his second visit as chancellor to the memorial, walked through the "Valley of the Destroyed Communities" — stones marked with the names of towns whose Jewish popula-

tions were annihilated during World War II.

He said aloud the names of communities near his birthplace of Ludwigshafen.

Mr. Kohl, who as an adolescent was conscripted into the Hitler Youth group, also viewed a memorial to the 1.5 million Jewish children killed in the Holocaust.

"This is a place which a German can see only with deep emotion," he said. "It is a terrible memory for us which we can view only with shame."

Mr. Kohl said the horrors of the Holocaust must never be forgotten, but he added that "it would be bad if we only remembered and missed the future."

Mr. Kohl wrote two sentences in Yad Vashem's visitors' book: "Remembrance is a chance to come together" and "May peace come to this land."

SPY: Socialist Dream Gone Bad

Continued from Page 1
a Soviet citizen. When he began his career, he said, he could say "honestly that the first phase was created by anti-fascism."

"We saw Nazis coming to power, taking positions and politically threatening our country," he said.

Indeed, even when the Berlin Wall was built in 1961 to stem the westward flow of hundreds of thousands of East Germans, Mr. Wolf did not waver. "If the border hadn't been closed, the German Democratic Republic would not have been able to survive because of the lack of capable people," he said.

He said he hoped — "and it was an illusion" — that eventually the social gap between East and West Germany would narrow and the advantages of socialism would emerge. Instead, he said, "the gap got wider so that we could not ease the restrictions."

Mr. Wolf's new legend began to emerge in the 1980s. In 1983, he was handed in his notice as head of the external intelligence service. In 1986, he was finally retired, not believing that German reunification would happen this century, but he said, sensing that, in East Germany, "the whole system no longer responded to what the people wanted."

By 1989, as the pressure for change gathered all through Eastern Europe, Mr. Wolf pub-

lished a book called "The Troika," in which he criticized Stalinism and the East German policies of the 1970s.

Overnight, his celebrity turned from that of spy-master from the hated state security authorities to that of reformer, even though his idea of reform was that it should be led by the increasingly repressive party that he had served throughout his adult life.

He was not quite ready, though, to come in from the cold.

On the eve of German reunification five years ago, Mr. Wolf fled likely arrest in Germany, heading first to Austria, then Moscow, and returned only many months later, feeling bad that his former colleagues might say: "You are safe, and our heads are on the block." He was right and convicted. Now the sentence has been pronounced unlawful.

But no old spy steps down without loose ends, unclosed files, nagging questions.

Some of his old agents are in prison — Gabriele Gast, jailed for six years in 1991 for spying on West Germany's spymasters, for instance, and Rainer Rupp, the one they code-named "Topaz" at NATO headquarters in Brussels, sentenced in 1993 to 12 years.

"I find that a huge, personal, moral burden," the spymaster said. "It's time to make peace and let them go."

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ALLIES: Perplexed by U.S. Stand on Troops in Bosnia

Continued from Page 1

United States, disillusioned by the fiasco in Somalia, will find some pretext to renege on Mr. Clinton's commitments to rescue the peacekeepers or enforce a partition plan if the Serbs can be persuaded to accept it.

"Right now, the attitude is that we have to give him the benefit of the doubt, because there has not been a formal breaking of his word," a senior French official said. "But we can see only more political weakness in Washington down the road, and that does not look good if everything falls apart in Bosnia."

In Britain, a Foreign Ministry official said there was "tolerance" for Mr. Clinton because he has made "welcome and significant progress" in understanding the plight of the Europeans and why they believed that Bosnia was becoming a European security nightmare that could affect U.S. interests.

The administration no longer supports the "lift and strike" option that it touted during its first year in office, when it called for lifting the arms embargo against Bosnia's Muslim-run government and launching bold strikes against rebel Serbs. That policy angered the allies, who felt the Americans were indulging in the luxury of an aggressive posture because they did not have to suffer reprisals on the ground.

The latest hostage crisis has fulfilled longstanding fears of European military command-

ers, who suspected they would have to endure Serbian retaliation for air strikes that, until now, have had negligible impact on the war and only dire consequences for the peacekeepers.

The approach taken by military commanders led to an angry confrontation between Mr. Clinton and the French military chief of staff, Admiral Jacques Lanxade, during a tense cabinet meeting on the day the hostages were seized. Mr. Clinton, a former cavalry officer in the Algerian war, accused French commanders of showing "cowardice and laxness" against the Serbs.

Incensed by his president's rebuke, Admiral Lanxade offered his resignation.

Prime Minister Alain Juppé intervened to calm the situation, warning that a feud between political and military leaders would only lead to disaster for the troops in the field.

That kind of frustration is cited by U.S. officials as another good reason for the United States to stay out of the Balkans conflict. But the Europeans argue that any expansion of the conflict, or a worsening of the refugee crisis, could ultimately have harmful consequences for U.S. security interests as well.

"The United States is supposed to be the dominant leader of the Atlantic alliance and yet it refuses to get involved in setting Europe's worst security conflict," a French official asked. "What are Europeans to conclude from that attitude?"

The refusal of the Americans to become involved in Europe's

bloodiest conflict in five decades dates from the Bush administration's determination to stay out of the Balkan crisis and let the Europeans take the lead.

When the Bosnian war broke out in April 1992, President George Bush and his advisers decided that it would be risky to send in the Marines to thwart the ethnic warfare just as the presidential election campaign was starting.

At the same time, the Europeans were touting their desire to assume greater responsibility for their own security. A common foreign and defense policy were being discussed as the next leap toward a more united Europe, and the European Union countries were eager to show that their resolving the crisis in the former Yugoslavia would set an exemplary precedent in their ability to ensure peaceful order in Europe after the Cold War.

But as the wars in Bosnia and Croatia ground on, the European will for military intervention fell short. Only France was initially inclined to send troops on a peacekeeping expedition. Britain feared becoming entrapped in another quagmire like Northern Ireland. Germany balked, for political and historical reasons, at sending any troops abroad.

The subsequent UN peace-making mission to deliver humanitarian aid and to protect civilians in six so-called "safe areas" has entangled France and Britain in the kind of predicament they ardently wished to avoid.

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The refusal of the Americans to become involved in Europe's

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INTERNATIONAL Herald Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

The NATO Halfway House

Boris Yeltsin, who had broken off consideration of joining NATO's Partnership for Peace six months ago with a warning of "cold peace," has now joined. Russia is also opening a broad security dialogue with the alliance, which it regarded (and which regarded it) as an enemy through four decades of Cold War. Secretary of State Warren Christopher hails the move as "historic," saying that Russia is crossing "the threshold into direct engagement with NATO."

But hold on. The key geopolitical issue of the connection between NATO and Russia has been sharpened, not resolved. A Russian role in the alliance halfway house called partnership has a nice ring. But it cannot mean much to Moscow to get on the alliance's very long and not very exclusive B list. A formal NATO-Moscow "dialogue," recognizing Russia's weight and expanding on security contacts already in place, has more heft to it but needs the fact that NATO and Russia have divergent views on how to organize the security of the new Europe. NATO speaks airily of someday extending alliance membership to assorted partners, even Russia. But many partners will qualify at best only

in the remote future for full membership in an alliance of democracies. And to imagine that Russia will come in to ignore the fact that many current members, and many partners, see Russia first as a power that must be balanced, not as a companion to take into camp. Russia accepted partnership as though it were making NATO a concession. In return Russia expects the alliance to sideline, or at least to slow, the idea of expanding its membership. Foreign Minister Andrei Kozyrev even suggests that NATO abandon its military essence and become a political seminar.

Europe has not outgrown the requirement for a military alliance and for American participation in it. The alliance should be taking in new members — Poland, Hungary and the Czech Republic are leading candidates. The way to deal with Moscow's complaint that NATO is redividing Europe and pushing the dividing line eastward is to keep NATO defensive and make something real of NATO-Moscow dialogue. A special place for Russia was always the right substitute for alliance membership. Meanwhile, if Russia is looking to get closer to friends in the West, it can clean up its act in Chechnya. —THE WASHINGTON POST.

Shots in the Foot on Trade

At least the American and Japanese trade negotiators have been able to agree when to resume the talks about automobiles. That is not very dramatic progress, but it is in the right direction. Beyond that, this dispute continues to be a strange one, complicated, perhaps, by Japanese concessions Tuesday to the European Union. Meanwhile, both America and Japan are following strategies that violate their own national interests.

Japan has an urgent interest in reducing its enormous trade surplus. It is not only that protectionism is tremendously costly to Japanese consumers. There is also another kind of damage ahead. A country can run a surplus only to the extent that it keeps lending to its customers, enabling them to keep buying. Japan's surplus has outren the country's ability to finance it. The yen's exchange rate will rise to whatever level is necessary to force the trade surplus down to the amount that matches Japan's foreign lending. The rise of the yen is aggravating a long recession and increasing unemployment in Japan. But that, perversely, seems only to make the Japanese fight harder than ever to keep imports out.

The Clinton administration, for its part, has made a heavy political investment in the new World Trade Organization, to which its approach in the automobile

quarrel threatens to do serious harm. The administration is resorting to unilateral action — huge tariff increases that will double the price of expensive Japanese cars sold in the United States — to punish the Japanese for keeping American cars and parts out. Those tariffs are illegal under the world agreement that set up the WTO. Why is the United States using tactics that violate the trade agreement that is one of its own major achievements? Perhaps one answer is that economic nationalism is popular in Congress. Another is that the administration is showing the frustration of dealing with Japanese unresponsiveness on a wide range of trade issues.

But that frustration is leading the American negotiators into exaggerated demands. For example, they denounce the Japanese companies' exclusive dealerships as cartels and want their showrooms opened to American cars. But if exclusive dealerships violate the trade rules, why do the American companies use them in Europe? Meanwhile, General Motors says that it intends to establish its own dealerships in Japan to sell its Saturns, small cars well adapted to Japanese tastes. That is a more promising way to get a foothold in a difficult market.

—THE WASHINGTON POST.

Auditioning With Perot

Ross Perot says his audition for presidential candidates will be about "issues, issues, issues." But of course it will really be about Ross, Ross, Ross.

The purpose, Mr. Perot's organization says, is to establish a set of priorities and principles for measuring candidates in 1996. But what better way for Mr. Perot to soothe inner doubts about his importance than to decree that the most powerful politicians in America must, on his whim, experience August in Dallas? Counting sunstroke a small price to pay for the White House, the Republican hopefuls are booking tickets. The Democratic chairman, Senator Christopher Dodd, says he will go too.

After all, Mr. Perot has established himself as a uniquely churlish force in American politics. Certainly there has never been a shortage of willful spotters and third-party hucksters. But Senator Bob Dole, President Bill Clinton and all the others know that Mr. Perot is willing to spend millions of his own money just to ensure that one of them does not get to the White House.

Republicans tend to think of him as an

ideological ally. But if anyone doubts that Mr. Perot is willing to pull out his pocketbook to stop a Republican nominee, he need only dial up former President George Bush in his Houston suburb.

So far only Lowell Weicker, the former Connecticut governor who is thinking about an independent candidacy, has been bold enough to suggest that Mr. Perot's little summit meeting may involve something other than issues. "We all know what it's about — which is to wheel and deal a little in Dallas."

That is putting it charitably. Mr. Perot's action is driven by a unique kind of angry regret. Back in 1992, he fiddled away something that comes to few people. That is a real chance to be president.

When the tough questions came, he bridled and bolted. By the time he belatedly returned, he had established himself as a world-class backseat driver — full of advice but in no danger of actually taking the wheel.

Having missed the prize, Mr. Perot now can only flap his arms, his money and his spite.

—THE NEW YORK TIMES.

Other Comment

A Recipe for Corruption

When Lord Acton issued his aphorism about the connection between power and corruption he left out a key ingredient: money. In much the same way, President Jiang Zemin leaves out the other crucial element in the brew — politics — when he talks about the corruption that has accompanied the rise of foreign investment in his country. In recent weeks, Chinese authorities have made what we all hope is a good-faith effort to root out this corruption and put China on a healthier path toward development. In a front-page essay in People's Daily, Mr. Jiang acknowledges the

essential role foreign investment has played, and will continue to play, in modernization. But he also warns, "We must keep the initiative on using foreign investment tightly in our hands." By "our," he means the government. Unfortunately, there exists no sure prescription for ensuring that graft will continue to plague China's development. The heart of graft is money for favors. So long as the government reserves control over what investment will or will not be permitted, officials will have favors to sell.

—Far Eastern Economic Review (Hong Kong).

Internationalism: The Sensible Ideology for America Today?

By Ronald Steel

This is the first of two articles.

LOS ANGELES — Do Americans need to fight a war in Bosnia to prove that they are good internationalists? If they don't go into Bosnia, does it mean that America is shunning a leading role in the international order?

That is the implication of the careless use of "internationalism," the new buzzword of the foreign policy community. "Internationalism" has replaced that Cold War label "containment" as the presumed explanation for America's role in the international order.

Just as that earlier program provided a justification for a dizzying array of activities — from government loyalty oaths and moon landings to the wars in Korea and Vietnam — internationalism has been recruited to fill what could be called the "doctrine gap."

In a way Americans are necessarily internationalists, like it or not. What else could they be, living in a spliced-together world where trouble in a Japanese pension fund can send the dollar into a nose dive, or where a civil war in the Balkans can trigger an anguished debate over whether the United States should come running to the rescue.

The United States could not be an island even if it wanted to be. It trades with almost every nation, dominates the United Nations and World Bank, runs a global network of military bases and alliances and spews out the cultural messages and icons that the entire world absorbs. The United States is a great siphon, pulling in the talented, the ambitious and often the desperate from every corner of the globe. What country is, or could be, more international?

globe over ideologies of universal pretensions. Each claimed that its system was not only superior but valid for all mankind. That is what gave the Cold War its special virulence. It was a war of religion. Like earlier contests of the sort, it could not end until one, or both, of the contestants lay exhausted.

The demise of the Soviet Union meant the discrediting of communism as an animating faith of the ambitious and the miserable. Market capitalism is everywhere triumphant. But this is less a victory for the United States than its celebrators imagine. Capitalism is a game that every nation can play. Like the Cold War, it is a game of power. Some nations play that game as well as Americans do, or even better.

In real politics — unlike the world of abstractions where economic theorists live — it is relative gains that count. The key issue politically is not how much the total pie grows when world trade expands, but whose share is getting bigger.

The American slice is not growing; that of its economic rivals (i.e. Cold War allies) is. Having won out over communism, and parted itself on the back in a spasm of triumphalism, the United States is now losing the trade wars of capitalism.

Internationalism, as most U.S. economists and foreign policy specialists define it, says this is all right. They are less interested in national borders than in systems. They believe that whatever serves the system as a whole — the international market system — is good. In this sense they are ideologists. They are dedicated to the commandments of the free trade, the

unrestricted movement of capital and labor (i.e. money and jobs), the primacy of the market over politics and the obsolescence of nationalism.

They view with impatience any obstacles to these absolutes. Like all true believers they argue that long-term blessings will make up for short-term pain. Thus, for example, economic internationalists in both political parties enthusiastically enacted the North American Free Trade Agreement, which, whatever its virtues, means the loss of tens of thousands of American blue-collar jobs as corporations seek cheap labor in Mexico. Advocates called this an "adjustment."

Because big business and policy professionals have been insensitive, or even indifferent, to those displaced by their indifference, it is not surprising that internationalism is not universally applauded by Americans. Outside of Washington and New York, it is widely viewed as a cover under which economic and political elites pursue policies far removed from the interests of average Americans. Elites readily ascribe this suspicion to the parochialism of the American voter, who presumably does not understand that what benefits the global system as a whole is also good for the United States. But the truth is more complicated.

The writer, a professor of international relations at the University of Southern California, is author of "Temptations of a Superpower." A longer version of this article, which was excerpted by The Washington Post, will appear in World Policy Journal.

Isolationism: The Democrats' Complaints Ring Strangely

By Bob Dole

The writer, majority leader of the U.S. Senate, is a candidate for the Republican presidential nomination.

WASHINGTON — Democrats are complaining about Republican "isolationism" and congressional involvement in foreign policy. How strange.

Apparently the liberal establishment is surprised that a Republican Congress would actually propose measures that reflect the thinking of Republican members and the American people.

Rather than working with Congress, President Bill Clinton has resorted to sloganeering, calling a Republican foreign-aid bill isolationist. The president has threatened to veto the House legislation, which would make foreign aid less wasteful and more efficient, while Senate Democrats have slowed committee action on parallel legislation. He has also expressed concern over an alleged congressional "frontal assault on the authority of the president" to conduct foreign policy.

Occasionally, Congress will step into a vacuum, as in the case of Bosnia, where indecision and inconsistency have been the hallmarks of administration policy.

Can Congress go too far? Certainly, but I do not recall Democrats expressing this anxiety when Republican presidents faced congressional "assaults" by Democrats. In the 1980s these assaults included restricting aid

to freedom fighters in Nicaragua, mandating comprehensive sanctions on South Africa over President Ronald Reagan's veto and setting aside funds for myriad pet projects, from tropical timber to African elephants. The Democrats also undercut arms-control negotiations by trying to legislate nuclear-test bans and unilaterally canceling weapons systems that the Soviet Union opposed.

The last time a foreign-aid authorization bill was signed, by President Reagan in 1985, it included Democratic-inspired restrictions affecting American policy everywhere.

The Clinton administration's concerns seem to rest on shifting sands. One week Congress is accused of infringing on presidential authority by pressing the administration to grant a visa to the president of Taiwan. The next week, when the visa is granted, it is administration policy.

If Mr. Clinton wants a serious dialogue on foreign-policy responsibilities, he should end his conspicuous silence on Republican efforts to repeal the War Powers Resolution, which would

dispense with a real threat to presidential prerogatives.

Many Democrats who now decry partisanship in foreign policy opposed Reagan-era national-security policies that led to victory in the Cold War: steadfast opposition to the Soviet empire; opposition to Communist aggression; deployment of nuclear missiles in Europe, and support for a ballistic-missile defense.

The White House seems to think that bipartisanship is an automatic entitlement, not the product of consultation, compromise and consistent execution of policy. It is paradoxical that the Clinton team, which ran a presidential campaign that boasted of a domestic focus, now charges the party of the North American Free Trade Agreement, the General Agreement on Tariffs and Trade and favored-nation treatment for China with isolationism.

Congressional Republicans have prodded a reluctant administration on a number of international issues, such as the expansion of the North Atlantic Treaty Organization and lifting the arms embargo on Bosnia.

Commitment to internationalism should not be measured by the number of UN peacekeeping operations or international development programs that the Republicans endorse. The very administration that labels a \$3 billion cut in spending for foreign aid and the United Nations a sign of isolationism has slashed American military spending by \$127 billion over five years.

A strong military is far more important to the nation's ability to protect its interests and retain its global leadership role than additional foreign-aid grants and subsidies for questionable multilateral activities.

The Democrats, who have made an impassioned defense of bureaucratic business as usual, fear that Congress will pass the boldest reorganization of foreign-affairs agencies in decades. Senator Jesse Helms and Representative Benjamin Gilman have introduced legislation to fold the Agency for International Development, the U.S. Information Agency and the Arms Control and Disarmament Agency into the State Department in order to save money and to make sure that money is spent on programs that further American interests.

Eliminating duplication can achieve big savings. Republican

legislation would overhaul international exchange programs that have no apparent link to America's interest but cater solely to bureaucrats' self-interest. Today more than 100 such programs at a cost of almost \$2 billion.

Republicans are prepared to make radical reforms in how America gives foreign aid. Study after study, for example, has identified waste, arrogance and incompetence in the Agency for International Development.

AID's response to a diphtheria epidemic in Ukraine is a tragic example. Despite 18 months of effort by the Centers for Disease Control, the agency refused to release funds to allow the CDC to address a 30-fold increase there in the disease. Only after funds were wrested from AID's control in April 1994 was the CDC able to begin saving lives.

The administration has yet to come to terms with the implications of last November's political earthquake. Republicans in Congress want to work with the executive branch in foreign policy whenever possible.

But we will not passively accept policies that harm the national interest and violate American principles.

The New York Times.

A Trade Dispute About (Two) Jobs

By William Clark Jr.

WASHINGTON — The U.S.-Japan dispute over trade in cars and auto parts appears to be about economics. It is actually about two jobs.

President Bill Clinton would like four more years in his own job, an office that comes with great perks. Ryutaro Hashimoto, Japan's minister of international trade and industry and also the chief negotiator on the Japanese side, would like to don the prime minister's mantle.

Domestic politics and the presidential election next year are clearly foremost on Mr. Clinton's mind in this dispute. A settlement with Japan at this stage — and it is not yet clear what ripple effect new Japanese concessions to the European Union might have — promises less, in political terms, than no settlement at all. Even if Japan agreed to purchase a quota of U.S. car parts, it would have little impact on the U.S. economy, job market or trade deficit.

By striking a firm, if unrealistic, posture, Mr. Clinton is able to accommodate Detroit by forcing

wealthy Americans to buy their luxury cars from American automakers, built by voters in important electoral states. This might increase campaign support from the automakers. While crying crocodile tears, they are making healthy profits, which are bound to increase if sanctions are imposed on Japan. Not a bad political triple play for Mr. Clinton.

Mr. Hashimoto, meanwhile, is well aware that former Prime Minister Morihiro Hosokawa enjoyed a boost in public support after saying "no" to Mr. Clinton in February 1994. Mr. Hashimoto knows that Japanese voters are tired of political business as usual. They are even more tired of being preached at by the United States.

The Japanese voter, like his American cousin, is turning inward after having to face natural disaster, poison gas and the return of recession. Just as it appeared to many Japanese that the heavens were conspiring against them, Mr.

Hashimoto stood up to the United States. Lo and behold, Asian and European nations have mostly taken the Japanese side. This has not happened in a long time.

As a result, two supposedly mature nations are now willing to sacrifice the new World Trade Organization for "economic principles" that in fact mask political shadow play. Both sides hope to win the public relations war by gaining WTO support.

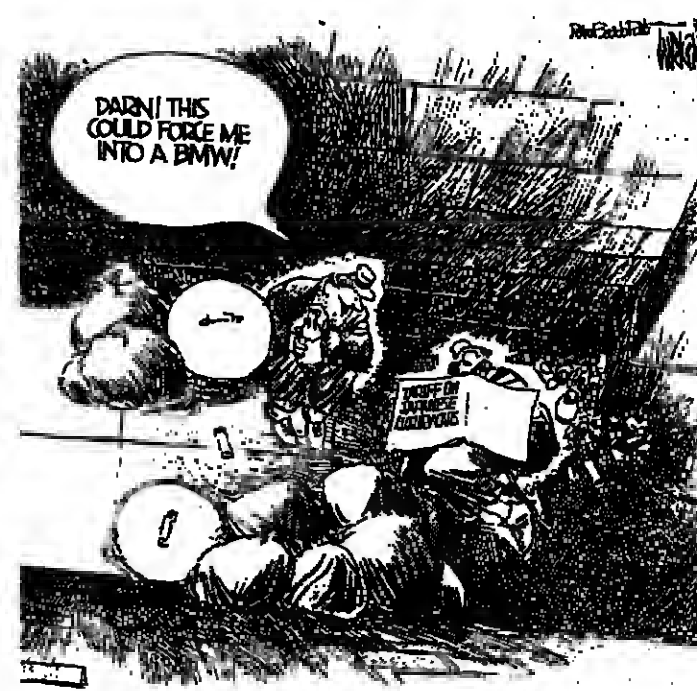
Yet there is no "right" side in this case. The United States talks of free trade but seeks market openings exclusively for U.S. products. Japan resists American pressure but has done little to move on compelling trade issues or to seek benefits for its consumers.

The political calculus of Messrs. Clinton and Hashimoto may prove correct, and the political benefits from the dispute may carry them into their desired jobs. But should this be the standard for relations between the world's two strongest economies?

If, as seems likely, no settlement is reached, Washington will probably lose in its WTO claim. Meantime, Japanese car companies will have suffered a severe economic blow. In Japan, the United States will be blamed for deepening the recession. And U.S. support for the WTO will sag.

Is there a way out? One possible route, involving dexterous diplomacy, is to have Washington back away from the numerical targets it has been insisting upon in exchange for Tokyo's cooperation on two lesser but related demands: first, access for U.S. auto part manufacturers to Japan's stringent after-purchase inspection system, which often leads to replacement parts; second, expanded dealer networks and showrooms for American automakers. At the same time, Japan's auto producers, without a fixed promise, can announce that they will increase their purchases of U.S.-made parts. This way, Tokyo can claim victory on principle and Washington can claim new inroads into Japan's market.

With American automakers now producing the right-hand drive cars the Japanese consumers want, this may be the most



attractive option at this moment.

The writer, a former U.S. assistant secretary of state for East

Asian and Pacific affairs, is now at the Center for Strategic and International Studies. He contributed this to the Herald Tribune.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1895: A Fine Crew

LONDON — The Cornell crew arrived at Henley yesterday morning [June 6] from Southampton with their two racing boats. Although the crew have only entered for the Grand Challenge Cup, they have brought four spare men with them. Spectators who watched their arrival at Henley remarked on their fine athletic appearance.

1920: Poisonous Prize

PARIS — [The Herald says in an editorial:] News that must astonish the world is that one of the Nobel prizes has been awarded to Professor F. Haber, the inventor of the poison gas, which the Germans added to the horrors of war. It is suggested that the professor is singled out for this prize on the ground that the man who succeeds in making war most frightful has tens the advent of the epoch in which nations will be exceedingly slow to embark on a struggle of

destructiveness such as to menace racial annihilation. There may be something in the argument, but it reminds of the philanthropist who proposed to banish poverty by killing off the poor.

1945: Okinawa 'Taken'

OKINAWA — Major General John R. Hodge, commander of the 24th Corps, said yesterday [June 6] that although there is much fighting ahead on Okinawa, to all practical purposes the island has been conquered by the Americans. General Hodge said that while the enemy line across the southern tip of the island was potentially capable of becoming another Kakazu ridge, the Japanese are now penned into remote positions of the island. "They can't do any damage to us now," he said. "We've knocked out all but a few of his one-hundred fives, and he's probably got just as few seventy-fives. What little shelling he can do won't hurt us."



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International Herald Tribune, 191 Avenue Charles-de-Gaulle, 92521 Neuilly-sur-Seine, France.
Tel.: (1) 41 43 93 00. Fax: (1) 43 92 16. Adm.: (1) 43 92 12. Internet: IHT@sun-kim.fr
Editor for Asia: Michael Richardson, 3 Canterbury Rd., Singapore 1111. Tel: (65) 224 2244
Fax: (65) 224 2244. E-mail: mrich@compuserve.com
Gen. Mgr. for Europe: T. Schiller, Friedrichstr. 15, 10117 Frankfurt/M. Tel: (49) 69 33 190 110
Fax: (49) 69 33 190 111. E-mail: t.schiller@heraldtribune.com
Pres. U.S.: Michael C. Smith, 30 Third Ave., New York, NY 10022. Tel: (212) 732 3200. Fax: (212) 732 3201
E-mail: mcs@heraldtribune.com
UK Advertising Office: 42 Long Ac., London WC2E 9LT. Tel: (44) 20 7556 4002. Fax: (44) 20 7556 4003
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OPINION/LETTERS

The Clinton 'Brain Trust'
Just Has to Stop Fudging

By A.M. Rosenthal

NEW YORK — It is not true that the Clinton administration has no firm policy about Bosnia. In the space of six days last week, it had three of them just about committing troops, and another may be in the oven.

On Tuesday, the policy was still that the United States would send troops into the war only to help in the emergency of a UN withdrawal from Bosnia. That itself was a switch from the Clinton policy of no troops. But that "no never" policy was around after President Bill Clinton's inauguration. That is long past the expiration date for American foreign policies these days. So it doesn't count, except for naives with memories.

On Wednesday, Mr. Clinton suddenly announced that the United States would send troops, if asked, to help the United Nations not only in withdrawal but in "reconfiguration and a strengthening" of its forces — which could mean anything he wanted when he wanted.

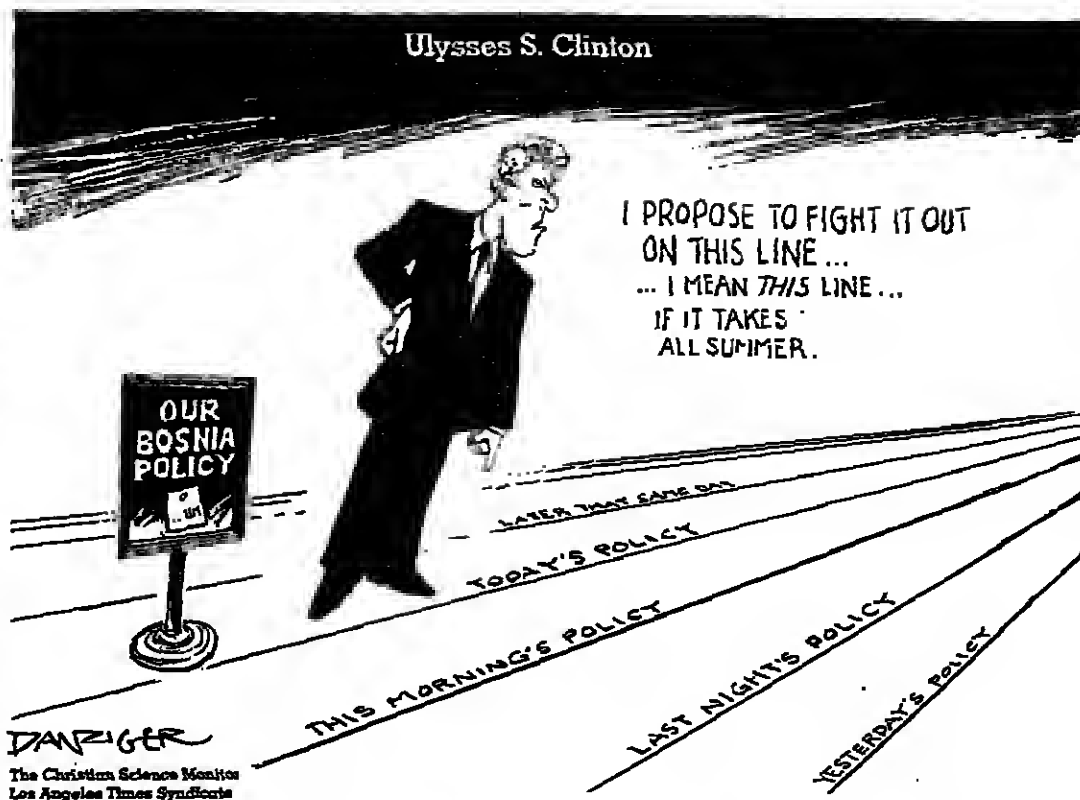
That astonished the world, and apparently Mr. Clinton too. On Saturday he shifted again, back to the Tuesday policy.

On Sunday, administration spokesmen stumbled so trying to explain Wednesday and Saturday that foreign diplomats, now real twitches, are terrified that the Clinton brain trust is at work, thinking again. They sniff a variation based on a flexible definition of emergency, withdrawal and deployment — commitment by semantics.

Mr. Clinton and his people got into this mess, where everything they do roils the Bosnian crisis, the way most people create their personal morass. We don't speak honestly about what we did yesterday that creates trouble today, thus ensuring that there will be trouble you would do it again. In 1992 the West, including the United States, insisted on swift recognition of a new country whose very concept they knew was opposed to the death by a third of its people. Almost all Bosnians are Serbian or Croatian. What divided them was not origin but history, religion, nationalism and hatreds bred of them. Bosnian Muslims and many Bosnian Croats wanted a multicultural state. The Bosnian Serbians, about 31 percent of Bosnia, felt they were being shanghaied into a new country where they would be an oppressed minority, far off from Serbia, the strongest member of the crumbled Yugoslav federation. Most felt connected to Serbia, not only to the Yugoslav province of Bosnia.

In arrogance and desire for influence if the Balkans, the West tried to run Bosnia down the Bosnian Serb throat. The mistake of the Muslims was thinking that the West, because it helped create Bosnia, would permit enough force to conquer the Bosnian Serbs.

The Bosnian Serbs were not foreign invaders, as so many Westerners think, but fighting in their land — even before the European



Union and the United Nations recognized the new Bosnia. The Serbs had a political case. If the Bosnian Muslims and Croats could withdraw from Yugoslavia to create Bosnia, why could not the Bosnian Serbs withdraw from this new state?

The Bosnian Serbs committed horrendous atrocities that dwarfed their own case. And the West was politically committed to the Muslims from the start. So for three years the West and the United Nations have been trying to do the impossible — "keep" a peace that

never existed, and cannot without the agreement of the Bosnian Serbs, not just the Bosnian Muslims.

The Clinton administration knows that. In decency, Americans should stop pressuring their allies. Bomb, says Washington. Then British, French and Canadians are killed or taken prisoner. Shut up. The United States must stop pretending that it is not deeply involved in the war, and do some exciting work with another great idea nobody wants. Extrication rests on

giving the Bosnian Serbs self-government — with the understanding that they could create a federation with Serbia as the Muslims have done with Croatia.

Mr. Clinton can stop worrying that his credibility on Bosnia is slipping. It is gone. The only way he can rebuild it is to carry out his hardest, inescapable job — stop blaming everybody else, start telling the truth about how America helped create this nightmare, which the Bosnians are not dreaming.

The New York Times

A Whole Lot of Discourse
In Need of Denazification

By Ellen Goodman

BOSTON — The ceremonies are over, but I would like to suggest one last way to commemorate the golden anniversary of the defeat of the Nazis. How about a moratorium on the current abuse of terms like storm trooper, swastika, holocaust, Gestapo, Hitler? How about putting the language of the Third Reich into mothballs?

The further we are removed from the defeat of the Nazis, the more this vocabulary seems to be taking over our own. It has become part of the

once sported swastikas without realizing that in Hitler's time and place they would have been rounded up as enemies of the Reich.

As for pinning the Nazi label on the supporters of abortion rights, the propagandists surely know that Hitler was a hard-line opponent of abortion. In "Mein Kampf" he wrote, "We must also do away with the conception that the treatment of the body is the affair of every individual." A woman's body wasn't hers; it belonged to the state.

Feminazi? Call sisterhood powerful or pushy if you like. But tell the dittoheads that feminists were a prime target of the Nazis. The Führer vowed to return Germany's uppity women to "children, cooking, church."

Even when Nazi-speak is not historically dumb, it is rhetorically dumb. The Hitlerian language has become a shorthand for every petty tyranny. In this vocabulary, every two-bit boss becomes a "little Hitler." Every domineering high school principal is accused of running a "concentration camp." Every overbearing piece of behavior becomes a "Gestapo" tactic. And every political disagreement becomes a fight against evil.

Crying Hitler is like crying wolf. The charge immediately escalates the argument, adding verbal fuel to fires of any dimension, however minor. But eventually, yelling Nazi at environmentalists and Gestapo at federal agents diminishes the emotional power of these words should we need them.

In time these epithets even downgrade the horror of the Third Reich and the immensity of the Second World War. They cheapen history and insult memory, especially the memory of the survivors.

That is one reason George Bush was so quick to take offense at the NRA's Nazi-isms. As a veteran of World War II, he knows the difference between the Gestapo and a federal agent.

Fifty years ago this spring, his generation liberated the concentration camps. Americans learned then, with a fresh sense of horror, about the crematoriums, about man's inhumanity, about the trains that ran on time to the gas chambers.

This was Nazism. This was the Gestapo. This was the Holocaust. This was Hitler. If you please, save the real words for the real thing.

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LETTERS TO THE EDITOR

Reports Out of Africa

For the past month or so I have been following the reports coming out of Africa. They have dealt with disease, tyrants and dictators, corruption, crime and people traumatized by war. Is there nothing positive? Africa is in a state of crisis, yet the rest of the world is reluctant to respond. How do the police get reformed? How are cruel military leaders gotten rid of? How is corruption brought to an end? How are the tragedies of war eliminated? Possibly through financial help channeled the right ways. Possibly through the

enclosure of some of the positive battle that Africans are engaged in. Possibly through greater recognition of the value of human lives. If Africa is to get back on its feet, it is going to need support from the United States and the rest of the world. U.S. Congress, are you listening?

DAVID KASHANGALI

Nairobi

Yeltsin on Stalin

Regarding "As Old Allies Pay Tribute, Yeltsin Talks Of Unity But Flexes Muscle" (May 10):

The report states that in Boris Yeltsin's Victory Day address, the Russian leader said "nothing about Stalin." In fact, Mr. Yeltsin mentioned Stalin in both positive and negative contexts. The two positive references to the dictator were:

"Without diminishing the role played either by the Supreme Commander (Stalin) or the rank-in-file soldier, it must be said firmly and unequivocally that the true creator and hero in the victory was the people."

And, "In forming the anti-Hitler coalition, the service performed by Stalin was great, as was that of

Churchill, Roosevelt, de Gaulle."

Later in the speech he balanced his favorable comments with a condemnation of Stalin's repressions against the military and noted that after World War II, Stalin's "regime became harsher" as "half of the prisoners" held in Nazi camps were "subjected to the torture of the gulag" when they returned home.

ALBERT L. WEEKS

New York

Pen and Coat Hanger

Reading the report "Coat Hanger and Brandy Used in Midair Operation" (IHT, May 24), I was reminded of Walter Mitty's famous intervention: "The oen anesthetizer is giving way!" shouted an intern. "Give me a fountain pen!" Mitty snapped. Someone handed him a fountain pen. He pulled a faulty piston out of the machine and inserted the pen in its place. "That will hold for two minutes," he said. "Get on with the operation!"

Reality exceeds fiction: A coat hanger has proved even better than James Thurber's fountain pen.

ROGER BERNARD,
Saint-Etienne, France.

BOOKS

HOW "NATIVES" THINK:
About Captain Cook, for
Example

By Marshall Sahlins. 318 pp., \$24.95. University of Chicago Press.

Reviewed by
Richard Bernstein

JAMES COOK, the Scottish seafarer who discovered Hawaii and mapped its South Pacific, has suffered declining esteem in recent years as the history of European expansionism has been cast in a darker light than before, seen as the end for native peoples and not just a heroic new beginning for Europeans.

Three years ago, Gananath Obeyesekere, an academic anthropologist originally from Sri Lanka, wrote widely noted book challenging one of the accepted facts about the exploration of the Pacific, that Cook was taken by the Hawaiians to be an incarnation of a fertility god called Lono. Captain Cook's "apotheosis," Obeyesekere argued (his book was entitled "The Apotheosis of Captain Cook"), was a Western invention, serving the vision of Europeans as civilizers who wengods to the natives.

Now comes a forceful, learned and persuasive counterattack written by Marshall Sahlins, the Charles F. Grey Distinguished Service Professor of Anthropology at the University of Chicago who also happens to be one of the scholars whose writings on Obeyesekere's revisionist assault.

Sahlins, in a book that is densely scholarly at times, cutting and witty at others, makes the case that Captain Cook, whatever Obeyesekere's anti-imperialist politics may lead him to believe, was indeed taken by the Hawaiians to be a god, one whom they killed when he fell from grace.

But beyond upholding the argument that mainstream anthropology has got it right about Cook and the Hawaiians, Sahlins has a broader objective. What Obeyesekere has done, in Sahlins' view, is use a "pidgin anthropology" whose effect is to make the Hawaiians over in our own image, reducing "native" thinking to categories that we Westerners can understand.

Sahlins wants to re-establish the idea that people, including modern Westerners and prehistoric "natives," do think differently, despite well-inten-

tioned scholarly efforts to endow them "with the highest Western bourgeois values."

"How 'Natives' Think" is a difficult book that makes no concessions to the oceanographer. Reading it, you sometimes have the impression that you have walked into a scholarly seminar that has already been under way for hours, or years.

Yet it is also clear after just a few pages that Sahlins possesses a subtle mind and a deep knowledge of his subject. It is difficult for the nonspecialist to judge whether he or Obeyesekere is right about Captain Cook and the Hawaiians.

But at least until Obeyesekere replies, Sahlins appears to have won a decisive round in an academic boxing match.

The Hawaiians, Sahlins writes in a satirical summary of Obeyesekere's argument, would have been too rational to believe that Cook was a god, even while Europeans have no trouble creating nonempirical, self-serving myths, repeating them over and over again.

This, Sahlins charges, is "imperialist hegemony masquerading as subaltern resistance." One wonders how Obeyesekere will reply.

Richard Bernstein is on the staff of The New York Times.

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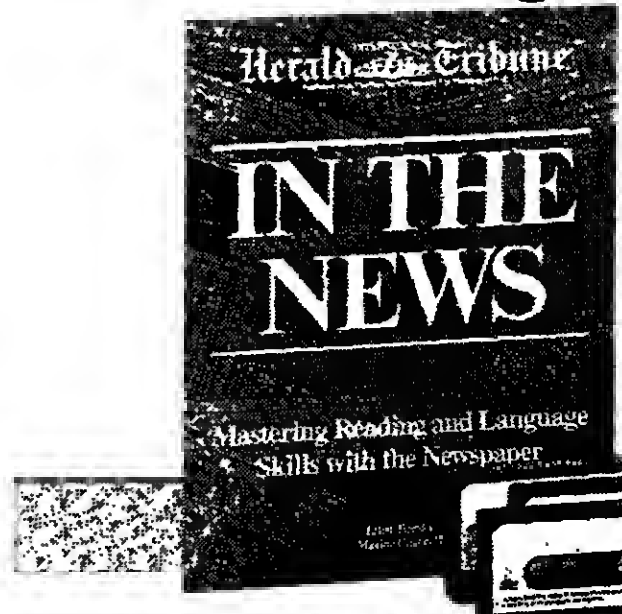
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An Actor Looking for a Breakout

By Trip Gabriel
New York Times Service

NEW YORK — Anthony LaPaglia has been here once before, on the receiving end of a heap of praise and a streak across the public stage beneath the media's love lights.

Five years ago, in his first film, "Betsy's Wedding," he was widely singled out as a love-smitten gangster who wooed Ally Sheedy ("Maybe you like classical music, like Sinatra?").

"I got a lot of heat off that movie," said LaPaglia. Along with movie offers came requests for interviews and appearances, but he ducked nearly all the attention, dismissing it as claptrap.

Nothing quite matched that success until now, when he has once again been prominently singled out by critics for his role opposite Mercedes Ruehl in the Broadway revival of Tennessee Williams' "The Rose Tattoo." This time, he is not snuffing at success.

"I said to Mercedes, 'I'm really going to enjoy it this time,'" LaPaglia said. "I used to be your typical ticked-off actor. I'm happy to be part of the circus now." He means the fanfare surrounding a talked-about performance. "Everything's about fresh meat," he said, not rancorously. "Who's sleeping with whom. Who's doing what. I still think it's bull, but I'm not so resentful anymore."

LaPaglia, while hardly a household name, has appeared steadily in films since 1990, generally pigeonholed by directors as (his words) "a guy whose name ends in a vowel who can carry a gun." Sometimes he was the cop. Sometimes he was the bad guy. You knew he would take a bullet before the final reel.

His latest, "Bulletproof Heart," is a small noir thriller that has been a hit at film festivals and received good reviews in limited release.

Most of LaPaglia's studio films — "He Said, She Said," "One Good Cop," "29th Street," "Whispers in the Dark," "So I

Married an Ax Murderer" — went nowhere commercially, though that was little fault of his.

But do not mourn for Anthony LaPaglia. His success is solid enough so that he recently bought a stately Greenwich Village brownstone, its 19th-century detailing out of "The Age of Innocence." In the parlor is a tall mirror in a gilt frame, a marble fireplace and a crystal chandelier.

LaPaglia, who once worked as a furniture restorer, has a passion for antiques that is quickly at odds with his working-class background and thuggish screen persona. The son of an Italian immigrant father and a Dutch mother, the compact, dark-haired LaPaglia was born and raised in Australia, but he is routinely taken for a New York native.

In "The Rose Tattoo," he plays a lusty, dimwitted truck driver with a hapless name, Mangiacavallo (literally "eat a horse"), who is nevertheless thoughtful and decent.

It has received mostly favorable reviews, with almost all critics singling out LaPaglia's performance. Directed by Robert Falls at the Circle in the Square Theatre, it has been extended to July 2.

When he first considered the part, LaPaglia, who is 35, was concerned that the play, originally staged in New York in 1951, might seem thematically dated. "When you read it you say, 'Oh my God, how do I play this sensibility?'" he said. "Most of us who live in New York are bored and cynical. We don't believe in this love-saves-the-day stuff anymore. I think the reason it's done so well is because it reminds people of a certain time in their lives when it wasn't so bad here. For me, it brings back memories of being a kid."

LaPaglia grew up in Adelaide, where his father, an auto mechanic, became a successful automobile wholesaler. LaPaglia described Adelaide as a town where the children of the ethnic working class were not expected to rise above it.

He did not discover acting until his early 20s, when, as an elementary school teacher, he joined a community theater group.

He applied to the National Institute of Dramatic Arts in Sydney, but was turned down. Immediately, he pulled up stakes for New York.

"The honest truth about that is that it was fear-motivated," he said. "The thought of living the rest of my life in a small town, being a mechanic or even a schoolteacher — this scared me. I was a ticked-off guy and wanted to do more than what I was being told I could do."

Like most actors today, LaPaglia considers his real career to be in films, even though the opportunities for creating a character are more limited than on stage.

In search of roles to broaden his screen persona — as well as offer star billing — LaPaglia has sought work recently in independent films. He plays the leading man in three small movies this year: "Nowhere Man," in which he is a federal agent with chameleonlike talents; "Lucky Break," an Australian romantic comedy with his companion of several years, Gia Carides; and "Bulletproof Heart," in which his character falls in love with the woman (Mimi Rogers) he is hired to kill.

Ironically, it was only after LaPaglia appeared as Barry the Blade, a knife-wielding assassin in "The Client," the hit adaptation of the John Grisham legal thriller, that he gained credibility with independent directors, who profess to loathe mainstream Hollywood product.

The explanation has to do with a Catch-22 in film financing. Because half a movie's income comes from foreign markets, independent filmmakers must be able to show investors the potential for overseas sales.

The key factor is the recognizability of a film's stars, and the only way for an actor to gain fame overseas is to appear in a studio blockbuster.

"To be a viable commodity for independents you need what they call overseas pre-sell," LaPaglia said. "As an actor, this is very important in your life, something you never consider in acting school."



Actor Anthony LaPaglia is trying to break out of his gunman image and become a leading man.

Angel Franco/The New York Times

After War in Dresden and Prague

By Alex Ross
New York Times Service

BERLIN — Dresden is famous as the city that was destroyed. Arriving for the Dresden Music Festival recently, a first-time visitor had the well-known catastrophic pictures in mind: the landscape photographed from above, obscured by firestorms and the lowering hulks of Allied bombers. It is staggering now to walk through the city center and see the old buildings restored to former glory, as if the smoke had cleared and left everything unharmed. The handsome sprawl of the Semper Opera conjures very different images, of turn-of-the-century Dresden, when Strauss's operas had triumphant premieres and special "Rosenkavalier" trains arrived from Berlin. Dresden is a life-size replica of itself, eerily perfect. One can forget that the original is gone.

Prague, 75 miles to the south and east, has famously survived. All the detritus of foreign invasion has been cunningly absorbed into an omnivorous cultural fabric. Even the hideous monuments of communism have somehow become part of the city's stylistic crazy quilt. General dilapidation adds authenticity. The continents are tremendous, in music as well as architecture. "Don Giovanni" is performed in the theater where Mozart first conducted it in 1787, and a memorial to the composer Josef Suk is presided over by his grandson, who bears his name.

In recent weeks, these two great cities offered strikingly like-minded music festivals, testifying to the resilience of tradition and also to the terrible vulnerability of individual creative personalities. Dresden commemorated the 50th anniversary of the bombing of February 1945; Prague marked its 50th Prague Spring, a festival that originated as a celebration of German withdrawal.

In his third year heading the Dresden festival, Michael Hampe, the longtime manager of the Cologne Opera, emblazoned the festival programs with the stark word "Apocalypse" and commemorated World War II with an intriguing array of 20th-century programming: Britten's "War Requiem," Strauss's "Frieden-

stag," Schoenberg's "Survivor From Warsaw," and Bernd Alois Zimmermann's scorchingly anti-militaristic "Die Soldaten," among other works. Hampe's introductory essay in the program led off with Thomas Mann's vision of a defeated Germany, "Ringed round by demons, a hand over one eye, the other staring into horror."

Zimmermann was a composer who typified Germany's agonized postwar self-examination, collecting horrors in a chaos of styles before killing himself in 1970. Willy Decker's brilliant production of "Die Soldaten" at the Semper Opera was a brightly colored and almost playfully cartoonish treatment of an opera that can easily wear out audiences with its relentless pessimism. Where a production at the New York City Opera made its greatest impact in the onslaught of the opening, Decker saved his masterpiece, a veriginous tilting of the boxlike set, for the end. Just as revealing was an excellent chamber concert the following night at the Dresden Center for Contemporary Music in which Zimmermann's sober, modernist craftsmanship came to the fore.

"Die Soldaten" met with a certain amount of bafflement, but long ovations greeted Marco Marcell's new staging of "Tristan und Isolde," with Deborah Polaski and Wolfgang Schmidt in the leads. The production was less than ideal: Polaski's huge tone lacked lyric breadth, Schmidt bleated pathetically and Marcell filled the stage with pulsating translucent cubes and psychedelic coloration redolent of the seedy side of late-night German television. But Christoff Prick and the Staatskapelle Orchestra counterbalanced these shortcomings with a subtle, intimate, expressive account of the score.

EVEN greater splendors followed a few nights later, when Claudio Abbado led the Berlin Philharmonic in searching interpretations of Beethoven's heroic Third and anti-heroic Eighth symphonies.

Whether rescinding to Zimmermann or Beethoven, the restored Semper Opera is a fabulous, ennobling presence. Even the all-conquering Berliners looked around a few times in awe.

The Prague Spring Festival drew upon a similar 20th-century legacy, including the inevitable "War Requiem." Both festivals turned attention on music of Jewish composers persecuted by the Nazis, but while Dresden offered the work of survivors — Schoenberg's "Survivor From Warsaw" and Korngold's Symphony in F sharp — Prague explored works of Czech composers interned at the Theresienstadt concentration camp and then killed at Auschwitz.

These concerts were promising in paper but disappointing in fact. The Czech Philharmonic, once a magnificent ensemble under the direction of the Theresienstadt survivor Karel Ancerl, has passed into the hands of the workmanlike Gerd Albrecht and no longer plays with savage brilliance. Albrecht selects interesting repertoire, but his program of Viktor Ullmann's "Concert for Kiliček" and a suite of arias and includes from Zemlinsky's opera "Traumbühne" did not represent the best of either composer.

A further drawback was the lack of recent music by Czech composers. The chief contemporary music presence was American: Peter Dink's S.E.M. Ensemble, playing Varda, Cage and Feldman. Kotik, who left Czechoslovakia in 1969, said that many younger Czech composers were dutifully following prevalent trends but failing to fashion distinct identities. The Communist regime seems to have sapped musical spirit. Miloslav Kabelac, a composer touted as the Czech Shostakovich, did not make a strong impression here in concert on several CDs obtained from Czech sources.

One can find more light in Prague's musical byways, the myriad concerts advertised in flyers handed out on street corners. There was, for example, a program devoted to the Czech Baroque master Jan Dismas Zelenka, who, as it happens, worked most of his life in Dresden. This modest effort by the Myšlavec Chamber Orchestra took place in St. Nicholas Church, a gaudy and frightening edifice raised by the Jesuits. The earnest, darksome splendors of his music resonated uncannily with the surroundings.

French Music and Subsidies: Who Are the Moderns?

By Katherine Knorr
International Herald Tribune

PARIS — Benoît Duteurtre, a 35-year-old novelist and music publisher, has been compared to Robert Fauriol, the infamous French historian who denies the Holocaust. What has Duteurtre done to deserve this? He has written a book that intends to be the obituary of atonal music and denounces the large subsidies given by the French government to what is unfortunately called musical research.

Duteurtre is not the first to criticize the French government's bloated and pretentious cultural bureaucracy, but his focus on music, in his recently published "Requiem pour une avant-garde" (Robert Laffont), amounts, whether he intends it or not (and mostly he does), to a broadside against France's most famous musician, Pierre Boulez, who is celebrating his 70 years amid wide and deserved acclaim.

This is a flashpoint not only for hard-core Boulezians, but also for those who feel that it is unwise to criticize France's only musician with major international stature. (In that sense, Duteurtre is, as the French say, spinning in the communal soup.)

Like a lot of "cultural" fights these days, on both sides of the Atlantic, this one has led to accusations that seem all out of proportion to the topic, and indeed a court forced Le Monde to print an answer from Duteurtre after music critic Anne Rey compared him to Fauriol in a very angry review.

It is curious to witness such anger at what seems after all to be within the realm of legitimate criticism. Boulez's generation — and indeed Boulez himself — was famous for its blanket denunciations of previous generations as bourgeois or even fascist. Now Duteurtre essentially is being labeled "reactionary." Or, who are the Ancients and the Moderns here?

Duteurtre's caustic and funny book — which says that musical "analysis" has replaced music in some circles and that audiences are expected to endure atonal concerts like religious sermons — demonstrates what has become increasingly apparent in Europe and in the United States: Abstraction in all the arts has reached a dead end and a new generation of artists has turned its back on the self-conscious avant-gardism of their predecessors. Abstraction was only ever an idea, seductive but ultimately sterile as demonstrated, for example, by the nouveau roman.

This means that the French government, through its subsidies to freem and other Boulez-inspired organizations, is funding music that not only has no audience, despite all of French radio's attempts to force-feed it to people with "world premieres" never followed by performances elsewhere, but also is fighting the last war.

Duteurtre's book harks back to two others published during the last five years that are evidence of a severe intellectual malaise in France vis-à-vis government patronage of the arts — and that are relevant to discussions elsewhere about state money for culture.

THE idea that France has turned into a theme park called France and that "culture" is the state religion, was the subject of "L'Etat culturel," a brilliant book published in 1991 by Marc Fumaroli, a professor at the Collège de France who has just been elected to the Académie Française.

The absurdities of cultural "policy" under Culture Minister Jack Lang was also the subject of Michel Schneider's "La Comédie de la Culture" (1993), his apologia after he left his job as the top music bureaucrat in a confrontation with Boulez. Criticism of the mega-Culture Ministry thus has come from both "conservatives" like Fumaroli and "progressives" like Schneider.

Duteurtre's book confronts the artistic poverty of the sec-

ond half of this century — a very real poverty despite the cheerleading that takes place in the political and commercial world that lives off contemporary art. Admitting this state of affairs goes against a contemporary notion of progress, where everything gets better and art "improves" as it is "opened" to more people and so on. That this is not the case is politically incorrect in France, which has become deeply insecure about its artistic place in the world (and where the novel is moribund) and spent millions of francs in a weird attempt not to miss the next artistic train —

and to trump America by showing "official" interest in the art of repression like graffiti and so on.

It is a fact that, while there are very fine writers and artists working today, there are no obvious masterpieces. This seems to be a source of shame in certain circles and leads to a lot of nonsense about trying to make "canonical" works of art that don't deserve to be.

What the French example — which is often praised in the United States by those who favor increased funding by the National Endowment for the Arts — has amply demonstrated is that subsidies do not often encourage great art. They go to people who are good at writing grant requests or who are friends of the bureaucratic Maecenas or who have thrived on politics, race or gender, the United States, it has led for example, to funding literary magazines that publish what the critic Bruce Baver recently called "poems that are on the literary level of bumper stickers."

Of course, some money goes to people with considerable talent, whose lives are therefore made easier, but is this really what the taxpayer wants?

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Mike Zwerin/IHT

LONDON THEATER

Revamping of Shakespeare, 1-2-3

By Sheridan Morley
International Herald Tribune

LONDON — In a week of drastically revamped Shakespeare, the Vanessa Redgrave "Antony and Cleopatra" is just that: Not only is she giving her Queen of Nile for the third time, she is also doubling up as director and designer. Thus it is no surprise to find, at Riverside, that we are amid the rubble of Bosnia, with the whole play now reduced to a kind of historical drama in the mind of a soldier reading, as the lights go up, a book of Roman history.

For reasons equally known only to Redgrave, she spends much of the evening dressed as Mary Queen of Scots and then goes to meet her maker, aided of course by a live snake, disguised as the Madwoman of Chailot. Others in the cast are dressed in ancient and modern. Redgrave sings, dances, smokes cigars and generally has herself a ball, leaving Antony (a bemused Paul Butler, who looks as though he thought he had signed up for Othello) several acts behind her.

As all too often nowadays, and especially in this Riverside

season, we are left with the unhappy spectacle of one of the greatest actresses in the world rampaging around a scratch, multilingual, multiracial company that looks as though its members have been recruited from the dregs of the UN amateur dramatic society in a really bad year. Like the Isadora Duncan she once played so unforgettably, Redgrave is determined to be judged by the company she keeps and directs, and it is just awful: There is no coherent vision, but as she goes to her death there is, in the last scene, a curious kind of greatness.

Redgrave may not be a director or a designer, but she has the ability to rise above her stage circumstances and, like Cleopatra, triumph at the last over apparently insuperable odds.

The problem with Fiona Shaw's "Richard III" (on the National's Cottesloe stage) does not have much to do with sex: As Shakespeare's best-known bisexual, she has a perfect, "Peter Pan" kind of androgynous charm. The problem is rather with director Deborah Warner's apparent inability to decide what or who this tragedy is really about. By leaving, for instance, acres of subplots totally

uncut, this often appears, across nearly four hours, to be a play almost entirely about the Duke of Aumerle and his enduring inability to decide whether to go for Richard or Bolingbroke.

Then again, we get a wonderful trio of elder-statesmen bishops and dukes (Graham Crowden, Michael Bryant and John Rangan) who seem to have wandered in from a more orthodox Old Vic staging circa 1956, while Shaw and David Threlfall, as a Bolingbroke apparently half in love with him/her, seem to be acting out some post-modern French movie about role-playing and ambiguous sexuality in power games.

There is, in short, an uneasy clash of styles. Shaw plays Richard as a mad puppet, brain-damaged from the outset and with little evidence of the grandeur or charisma that must once have commanded his followers. From the moment she sucks her thumb all through the "hollow crown" speech, we get the message that we are not dealing with the complete king.

There are some very bright ideas around, but little coherence in the overall concept, one not much helped by a long, narrow set from Hildegard Bechtler that has us sitting like jurors all along the sides of the Cottesloe, peering far left and right. It's a flaky, narrow evening.

In the Open Air Theatre of

Regent's Park, Brian Cox directs that company's first "Richard III" in a commendable effort to get away from the ritual "Midsummer Night's Dream," though that too is on offer as usual this summer. The difficulty with the park has always been that it favors Shakespeare's pastorals and light comedies over the histories and tragedies. But by giving us a much-cut "Richard III," with Jasper Britton rising from the grave to hobble his evil, contorted body around the court, we do get a flashy, charismatic star turn, as jagged and angular as Tanya McCallin's scaffolding set. The rest of the cast appears to have come straight from drama school, and rather too soon.

Having played Buckingham in a rather more conventional National Theatre staging a few years ago, Cox seems now determined on a radical rethink (our third this week) of the original text. But despite its references to "the open air," this is a very indoor play, needing the shadows of antechambers if it is to achieve any real tension. As belittled here across the park, it becomes a Victorian revenge melodrama, and only as the arch lights come up toward the end of the second half do we get much idea of what Cox really has in mind. Oh yes, and the music is by African drums: Make of it what you will. Or indeed can.

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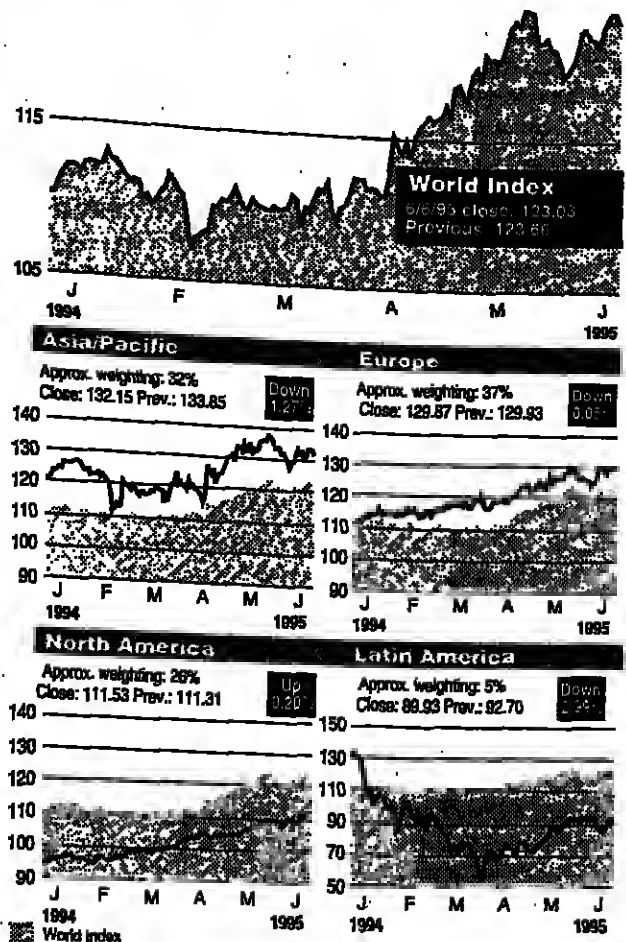
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Industrial Sectors	Trib Index	Prev. Close	% Change
Energy	125.27	127.25	-0.77
Utilities	138.65	134.65	-0.74
Finance	123.08	124.15	-0.85
Services	114.47	115.16	-0.60
Capital Goods	125.39	125.74	-0.28
New Materials	139.61	140.23	-0.30
Consumer Goods	117.76	117.83	-0.06
Miscellaneous	132.54	132.75	-0.16

Japan's Towering Debt Mountain Begins to Tremble

Compiled by Our Staff From Dispatches

TOKYO — Five years after Japan's economy plunged from torrid expansion to recession — leaving a mountain of bankruptcies and bad loans — the financial system here is lurching toward crisis.

The news for Japanese lenders has not been good. For the first time, major banks have reported losses. Housing lenders are drowning in uncollectible loans, some now technically insolvent with more than half their portfolios soured.

Japan's benchmark Nikkei stock index tumbled about 1.5 percent, to 15,660.99, on Tuesday after Finance Minister Masayoshi Takemura threw

cold water on hopes for a government bailout.

"We are in the middle of discussions about how to solve the bad-loan problem," Mr. Takemura said, "but I don't want you to conclude that the government's involvement means the immediate use of public funds."

The market rose the previous two days on hopes that the government would cobble together a rescue plan as early as this week.

Instead, the mood was further soured when creditor banks said they would provide financial assistance to the retailer Sogo Co., one of Japan's largest chains. Industrial Bank of Japan and Long-Term Credit Bank of Japan said they would reschedule Sogo's

loan repayments to reduce the company's interest burden and would call on other Sogo creditor banks to follow suit.

The business daily Nihon Keizai Shimbun reported that Sogo carried a debt burden of 1.4 trillion yen (\$16.52 billion) in debt.

Regarding the country's broader financial predicament, analysts say that dozens of local thrifts, which hold a large proportion of Japan's farm savings, are on the brink of bankruptcy, with billions of yen of loans unlikely ever to be repaid. Bailouts have already been arranged for several ailing credit unions, and many more could be in equally bad shape.

"Japan's financial system is now

facing its hardest time in some 50 to 100 years," said a senior official at the Bank of Japan, speaking on condition his name not be used.

The bad loans total 40 trillion yen, Yoshimasa Nishimura, director of the Finance Ministry's banking bureau, told Japanese legislators Tuesday, in the government's frank assessment of the problem to date.

But many banking analysts estimate that the amount is significantly larger, between 60 trillion and 100 trillion yen. That is roughly the size of the Japanese government's annual budget and rivals what is regarded as the largest banking debacle ever, the U.S. savings and loan crisis of the 1980s.

In Japan, labyrinthine ownership

and lending relationships between financial institutions and lax reporting requirements make it difficult to take full measure of the problem.

Government officials and many analysts insist the bad loans are a troublesome but ultimately manageable mess. Others are not so sure.

Moody's Investors Service Inc., the U.S. debt-rating agency, recently announced a rating review for three banks. The reason, however, was not that conditions had deteriorated at the banks themselves. Instead, Moody's called into question the ability of financial authorities to "provide safeguards" to maintain "overall stability" in the system.

(Bloomberg, Reuters)

EU Gets Trade Deal On Cars With Japan

By Paul Blustein
Washington Post Service

TOKYO — The European Union won a "substantial breakthrough" from Japan on its demands for improving access to the Japanese automotive market, the EU trade commissioner said Tuesday, underscoring the isolation of the United States on the issue of auto trade.

The Japanese concessions disclosed by Sir Leon Brittan mainly concern the easing of inspection requirements for vehicles imported into Japan.

The announcement was clearly aimed at trumping Washington as the U.S. government aggressively pursues its own efforts to force concessions from Tokyo by threatening to impose punitive sanctions on Japanese luxury cars.

EU officials, while agreeing with the U.S. position that the Japanese market remains riddled with barriers, have joined Tokyo in condemning the United States for resorting to unilateral sanctions, which are widely viewed as a violation of international trade rules.

"We have achieved a sub-

stantial breakthrough, which will be to the benefit of all countries," Sir Leon said.

But he said the EU had not "achieved everything we wanted." While Sir Leon has attacked the U.S. demand for voluntary parts-purchasing plans, he offered no alternative when asked what Washington should do about Japanese car factories in the United States that favor Japan-based suppliers from their traditional *keiretsu*, or corporate families.

The concessions offered by the Japanese Transport ministry should make it less expensive and cumbersome for European carmakers to export to Japan. Among the more important parts of the accord is a commitment to join a European agreement on the mutual recognition of motor vehicle regulations.

The agreement sets standards for 90 different vehicle parts and allows countries to voluntarily subscribe to each standard separately.

The move should help push Japan toward international standards in its inspection procedures, according to Richard C. Wright, an EU official.

A Big Blue Bet on Lotus

By Steve Lohr
New York Times Service

NEW YORK — In a "Dear Colleague" letter to IBM workers Monday, Louis V. Gerstner Jr. explained his company's \$3.3 billion bid for Lotus Development Corp. as a vital step toward the high-tech workplace of the future. The two companies, the International Business Machines Corp. chairman wrote, were an ideal match.

Together, Mr. Gerstner declared, IBM and Lotus could speed the arrival of a better world for workers everywhere by creating "a collaborative computing environment so people can work and communicate across corporate and national borders — without worrying about things like incompatible hardware and software."

That utopian vision, with IBM as creator and supplier, is merely Mr. Gerstner's rendering of what is universally acknowledged as the new wave in information technology: the computer as communications tool.

The trend comes in many forms, each with its accompanying jargon, but all the variants share one element: People at work and at home are using computers less as stand-alone machines and more as computers linked to networks that enable them to exchange messages, documents and pictures.

"The industry is going through a major shift to communications," said John McCarthy, director of research for For-

rester Research Inc. "Call it client-server, Internet, E-mail, social computing, whatever. The trends and buzzwords are all part of the same phenomenon."

In corporations, desktop computers are now arrayed in so-called client-server networks, where machines and people collaborate in teams, representing a sharp break with the centralized control of traditional mainframe computing.

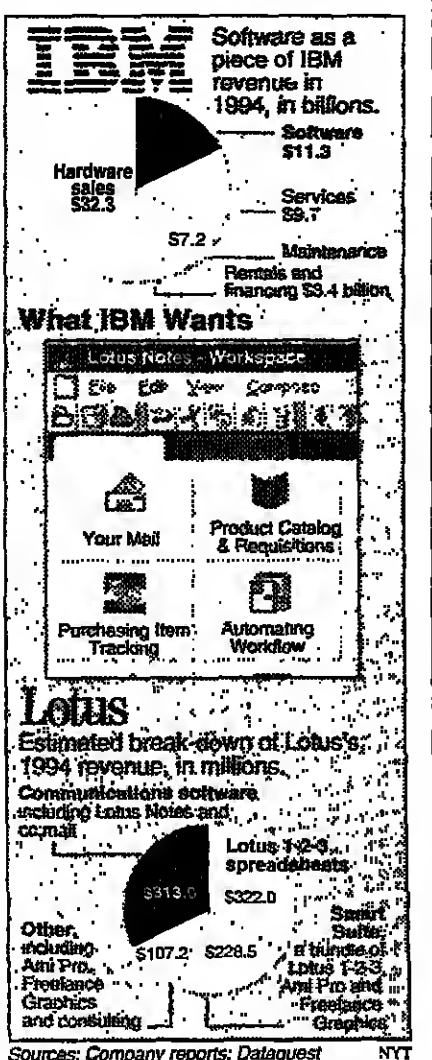
Lotus's Notes program is the leading software that allows workers in companies to work that way, sharing the same document, for example, in offices around the world.

Outside corporate walls, networks from commercial on-line services like America Online, CompuServe and Prodigy, and more broadly, the Internet, are giving the public a taste for the power of communicating from behind a PC keyboard.

Supplying the hardware, software and services for these networks looms as a huge business for the computer industry. Those who catch the wave will reap growth and profits.

IBM, analysts agree, clearly views its pricey bid for Lotus in those broader terms. "This is IBM's strategic entry into the new world," said Scott Winkler, an analyst at the research firm Gartner Group Inc.

The IBM move is part of a flurry of recent acquisitions by software companies trying to buy their way into stronger



MEDIA MARKETS

Music Piracy's Second Front

By Richard Covington
Special to the Herald Tribune

HONG KONG — While illicit compact-disk factories in Asia are coming under renewed pressure to close, the rampant piracy of lyrics and music in the region has so far attracted relatively little notice.

But international music publishers are pushing to change that, pressuring governments to enact and enforce legislation requiring royalties to be paid to those who own copyrights on songs that are publicly performed or broadcast.

The publishers have been successful to a degree. Hong Kong, Singapore, Taiwan and Malaysia have begun to pay royalties to international artists, if not to local songwriters. Vietnam signed its first copyright protection law in December, and others are expected to follow suit.

Even China, one of the region's major centers of pirate manufacturers, has started paying limited royalties, disbursing \$400,000 last year to international music publishers, according to Ang Kwee Tiang, regional director of the Asian and Pacific office of the International Confederation of Societies of Authors and Composers.

But international songwriters are still losing millions of dollars from unpaid royalties in Asia, and some say the lack of such payments to local songwriters has put a damper on creativity and led more Asian producers to simply recycle international hits or stick to formula ballads.

The theory of copyright is that every time a song is played — on the radio, on a concert stage, in television commercials, in a karaoke bar — a royalty should be paid to the holder

of the rights. Elsewhere in the world, music publishers, who control these rights, have drummed up a \$4.7 billion annual business, according to the National Music Publishers' Association Inc. in New York.

Until recently, few Western composers were paid royalties from sales of their works in Asia and the Pacific, except in the developed markets of Australia, New Zealand and Japan. Local songwriters generally worked on a flat-fee basis, some being paid \$100 a song or less.

Moreover, despite recent payments in some countries, "it will be five years before we can begin to take our foot off the pedal" in pressing for revenue from rights, said Nicholas Firth, president of Bertelsmann Music Group Publishing Worldwide.

Leslie Bider, chairman of Warner/Chappell Music Inc., added that, in Asia, "the development of copyrights is still at least 30 years behind the rest of the world."

Other music publishers, including Edward Murphy, president and chief executive of the New York-based publishers' group, have pointed out that in an industry growing at 10 percent to 20 percent a year, Asia is the region that offers the most growth potential.

First, however, there is a baffling array of legislative and ethical barriers to overcome, some more daunting than others. South Korea, for example, only recognizes copyrights on songs written after 1987, according to Mr. Bider.

"Cole Porter, George Gershwin, the Beatles, you name it; the Koreans maintain a blanket refusal to pay for the use of our material before 1987," he said, adding that

See ROYALTIES, Page 20

G-7 Leak: More Power For IMF

Compiled by Our Staff From Dispatches

OTTAWA — When they meet next week, leaders of the Group of Seven industrial countries will call for reforms to give the International Monetary Fund increased emergency powers, according to a report leaked Tuesday.

Nelson Riis, a member of Parliament from the opposition New Democratic Party obtained an 11-page document that he said was a draft copy of what would be the final communiqué of the G-7 summit in Halifax, Nova Scotia. The summit begins June 15.

The document said the G-7 leaders decided to establish a new "emergency financing mechanism" for the International Monetary Fund to provide "larger upfront disbursements in crisis situations."

It also called on the IMF to "give further consideration to exploiting its power to borrow in private financial markets."

Finance Minister Paul Martin of Canada said "various delegations basically attempt to narrow the issues" in advance of the meeting and that is what the draft reflects.

Mr. Riis questioned the expense of the summit since a decision had already been reached.

(Bloomberg, AFP)

CURRENCY & INTEREST RATES

Cross Rates									
	U.S.	DM	FF	£	¥	SFr	Sc	DK	Other
American	1.00	0.63	0.19	0.70	106.50	0.75	0.13	0.16	0.00
British	1.66	1.00	0.31	0.79	163.60	1.00	0.21	0.26	0.00
French	6.55	1.66	1.00	0.16	136.03	1.00	0.48	0.59	0.00
German	163.60	3.20	3.20	4.76	163.60	1.00	0.52	0.64	0.00
Italian	1936.27	1936.27	1936.27	280.34	1936.27	1936.27	1.00	1.24	0.00
Japanese	106.50	26.47	26.47	37.47	1.00	1.00	0.01	0.01	0.00
Swiss	0.75	0.21	0.16	0.22	0.75	1.00	1.00	1.00	0.00
Scandinavian	0.13	0.03	0.02	0.04	0.13	0.01	0.01	1.00	0.00
Other	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00

Eurocurrency Deposits									
	Dollar	DM	FF	£	¥	SFr	Sc	DK	Other
1-month	5 1/4%	4 1/4%	3 1/4%	4 1/4%	7 1/4%	4 1/4%	4 1/4%	4 1/4%	4 1/4%
3-month	5 1/4%	4 1/4%	3 1/4%	4 1/4%	7 1/4%	4 1/4%	4 1/4%	4 1/4%	4 1/4%
6-month	5 1/4%	4 1/4%	3 1/4%	4 1/4%	7 1/4%	4 1/4%	4 1/4%	4 1/4%	4 1/4%
9-month	5 1/4%	4 1/4%	3 1/4%	4 1/4%	7 1/4%	4 1/4%	4 1/4%	4 1/4%	4 1/4%
1-year	5 1/4%	4 1/4%	3 1/4%	4 1/4%	7 1/4%	4 1/4%	4 1/4%	4 1/4%	4 1/4%

Key Money Rates									
	U.S.	DM	FF	£	¥	SFr	Sc	DK	Other
Discount rate	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%
Prime rate	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%
3-month T-bill	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%
6-month T-bill	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%
9-month T-bill	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%
1-year T-bill	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%
3-month Eurodollar	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%
6-month Eurodollar	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%
9-month Eurodollar	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%
1-year Eurodollar	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%

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U.K. Market Won't Panic This Time If Rates Don't Rise

By Erik Ipsen
International Herald Tribune

LONDON — One month after the chancellor of the Exchequer shocked financial markets by failing to lift British interest rates, it looks as if Kenneth Clarke is likely to make the same decision again Wednesday.

Only this time a curious thing has happened. Investors and economists, who were appalled by Mr. Clarke's decision last month to hold base lending rates at 6.75 percent, now solidly back the chancellor.

The chancellor of the Exchequer meets with the governor of the Bank of England to decide monetary policy, but it is the chancellor who has the final say.

In the meeting last month, Eddie George, the governor of the Bank of England, is thought to have argued strongly that interest rates must rise to keep inflation in check.

"There has been a remarkable shift in sentiment in favor of the chancellor in recent weeks," said David Owen, an economist with Kleinwort Benson Securities.

Mr. Clarke's decision not to raise rates by a half percentage point initially sent the pound and British bonds spiraling downward. But after the government revised its estimates for economic growth in the first quarter to 0.7 percent from 0.8 percent, sentiment began to shift.

Economists who are concerned that Britain's recovery is fragile see Mr. George's argument for a rise in rates as outdated, if not dangerous. "I think if we had had a half-percentage-point increase in rates last month, people would all be worried today about a recession," said Keith Wade, an economist with Schroder Economics.

The Bank of England has been cast by some as a villain. "I think the bank has misjudged the economy very badly and is now on probation," said Patrick Minford, an economist at the University of Liverpool who sits on the Treasury's panel of outside policy advisers.

Many agree with Mr. Minford that the bank is running unacceptable risks with the economy in the name of inflation targets they see as too simplistic or too low.

"I am not against an independent central bank — indeed I have argued in favor of it in the past — but it needs the right targets," said Peter Warburton, an economist with Robert Fleming Securities.

Mr. Warburton said the Bank of England should ignore the lead of the single-minded Bundesbank and instead take its cue from the U.S. Federal Reserve Board. The Fed, he said, targets not only inflation but keeps an eye on economic growth as well.

The Bank of England is currently committed to achieving an inflation rate of not more than 2.5 percent by the end of the current Parliament in 1997.

Recently, the bank's forecasts have made it clear that the target is sure to be missed.

In the past, investors have interpreted any sign of waning enthusiasm for hitting inflation targets as a reason to sell bonds and the pound.

But in the past month, analysts have taken a more benign view of price pressures because a powerful bond rally is firmly in place and many investors are worried that the U.S. economy is buckling under the weight of increased interest rates.

Some say the fact that inflation remains restrained in the United States, where the economic recovery started sooner and has been stronger, means there is little danger of price pressures in Britain. More importantly, the recent reversal in a long string of falling unemployment numbers in America has rekindled worries on both sides of the Atlantic about a recession.

Even forecasters who believe British inflation will rise over the target next year express little worry. "I think 3 percent inflation would be an impressive performance in historical terms," said Nigel Richardson, head of bond research at Yamaiichi International.

A few analysts are predicting a quarter point rise in interest rates to come from Wednesday's meeting, but only as a largely symbolic attempt by the chancellor to appease the Bank of England.

EMU Spurs Flight to Swiss Franc

By Brandon Mitchener
International Herald Tribune

ZURICH — To Peter Buomberger, chief economist at Union Bank of Switzerland, it comes as no surprise that European money of the future the franc, which is the German name for the Swiss franc.

The closer Europe gets to a common currency, the more Europeans worry about the safety of their savings in Deutsche marks and other European Union currencies. Many people with heavy investments in Germany are particularly worried that the future Eurocurrency could be less stable than the mark and are turning to the Swiss franc as an alternative.

While there are no signs of an outright stampede into Swiss francs, there is a good chance one could start in the next five years, according to bankers in Zurich, Frankfurt and London.

"Every step toward a common European currency is likely to strengthen the Swiss franc," Mr. Buomberger said. "Despite the tough criteria outlined in the Maastricht Treaty, there is a risk that European monetary union will contain an inflationary bias."

"Every time I meet clients, it's the No. 1 topic," added Mr. Buomberger, who many say will be the next president of the Swiss National Bank. "Investors want to know where Switzerland stands."

For now, Switzerland stands apart. In keeping with their country's neutral, isolationist past, the Swiss have twice rejected membership in the European Economic Area and have no immediate plans to even vote on membership in the closer-knit EU.

It could be more than a coincidence that Switzerland's rejection of greater integration with the rest of Europe has been followed by a strengthening of the franc against the mark, said Günther Merl, chairman of Helaba (Schweiz), a unit of Germany's Landesbank Hessen-Thüringen AG.

Helaba recently became the latest in a string of big German banks to open a branch in Zurich. All say they are simply trying to serve their clients' need for geographical distribution of invest-

ments, but they make no secret of the fact that talk of European monetary union has inspired many a client to spirit money out of Germany.

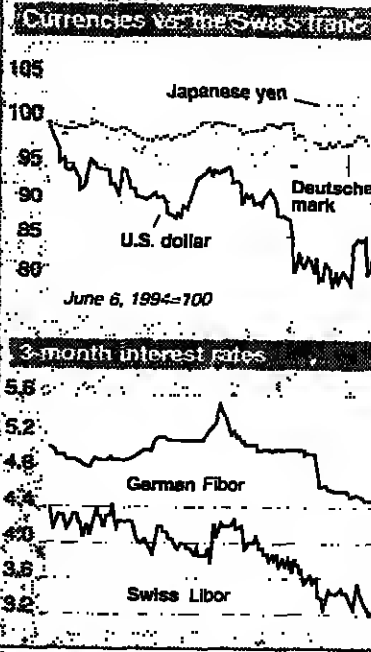
"The Swiss franc is more and more assuming the role of 'anchor currency' once occupied by the U.S. dollar," Mr. Merl said. "For particularly conservative and risk-averse investors, the D-mark is emotionally handicapped by the ongoing discussion about introducing the ECU."

While some investors have begun to move their money into Switzerland because they do not trust the untried Euro-cash, others are drawn by the traditional independence of Swiss banks from outside tax auditors. Several big German banks, including Dresdner Bank AG, have recently been asked by investigators on suspicion of helping clients transfer savings to Luxembourg to avoid paying a new German withholding tax.

"If European monetary union develops, the pressure on Luxembourg to do

The Swiss 'Franc Fort'

Data over one year to June 5, 1995



Source: Bloomberg

something about the flight of tax money there is going to increase," said Brendan Brown, an economist at Mitsubishi Finance International in London.

Analysts differ on whether a foreign capital flight to Switzerland has already begun. Mr. Buomberger said he has been advising clients "don't wait — act today."

But Jürgen Pfister, a senior economist at Commerzbank AG, said that while he was sure there would be a "certain shift out of marks and into francs" in 1997 or 1998, it was "too early" to make the switch now.

"Swiss bonds have a lower return than German bonds, and anyone who makes a major shift into francs in their portfolio will be losing a lot on the interest-rate differential," he said, adding that the already high value of the franc left investors vulnerable to risk on the currency side if the franc fell.

The franc has risen more than 15 percent in after-inflation, trade-weighted terms over the past year. Against the mark alone, it has risen 2.5 percent since the beginning of the year and stands about the same percentage above its year-earlier level.

Economists said one factor favoring the franc's strength was a historical tendency of the Swiss currency to overreact to changes in the value of the dollar. Following that tendency, as the dollar depreciated this year, it was predictable that the Swiss franc would appreciate more than the mark.

But Mr. Buomberger said the franc's current strength also represented investors' trust in Switzerland's ability to beat inflation, as reflected in the fact that Swiss long-term bond yields are 200 basis points lower than equivalent German yields.

Low borrowing rates, in turn, are an incentive for Swiss companies to fight any attempts by Bern to push for membership in the EU.

The European Commission, meanwhile, is contributing to investors' fears itself. A report on the introduction of a single currency predicted a period of high volatility between announcing the details of the currency union and the actual introduction of the currency. Nevertheless, the report predicted the currency would appear in 1999.

Air Deal Set to Land Britain in EU Court

By Tom Buerkle
International Herald Tribune

BRUSSELS — The European Commission said Tuesday it would take Britain to court for signing an aviation agreement with the United States, a deal the agency said gives American carriers an advantage over their European rivals.

The legal moves were not expected to stop the accords from coming into force because it

will take up to two years for a verdict from the European Court of Justice.

Transportation Commissioner Neil Kinnock is expected to request authority to negotiate a comprehensive agreement with Washington on behalf of all 15 EU countries.

The U.S.-British agreement

announced Monday gave British Airways the right to operate a second daily flight from London's Heathrow Airport to Philadelphia and United Airlines a daily slot from Chicago to Heathrow.

Washington and London also agreed to resume negotiations to further open access to each other's markets.

AMEX

Tuesday's 4 p.m. Close

The top 300 stocks shown up to the closing on Wall Street.

The Associated Press

Stock Sales High Low Last Chg

ALC 733 434 43 0.00

ARM 733 434 43 0.00

AT 733 434 43 0.00

ATM 733 434 43 0.00

ATN 733 434 43 0.00

ATP 733 434 43 0.00

ATV 733 434 43 0.00

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U.S. STOCK MARKET DIARY

Indexes High Low Last Chg

Dow Jones 6031.45 6031.45 6031.45 0.00

S&P 500 1025.15 1025.15 1025.15 0.00

Nasdaq 2088.25 2088.25 2088.25 0.00

AMEX 100.00 100.00 100.00 0.00

Most Active NYSE

IBM 150.00 150.00 150.00 0.00

Microsoft 100.00 100.00 100.00 0.00

Apple 150.00 150.00 150.00 0.00

Oracle 100.00 100.00 100.00 0.00

Sun 100.00 100.00 100.00 0.00

Meta 100.00 100.00 100.00 0.00

Novell 100.00 100.00 100.00 0.00

Lotus 100.00 100.00 100.00 0.00

Intuit 100.00 100.00 100.00 0.00

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Northrop 100.00 100.00 100.00 0.00

Grumman 100.00 100.00 100.00 0.00

INTERNATIONAL FUTURES

High Low Close Chg

June 6, 1995

Grains

Wheat 100.00 100.00 100.00 0.00

Barley 100.00 100.00 100.00 0.00

Oats 100.00 100.00 100.00 0.00

Rye 100.00 100.00 100.00 0.00

Soybeans 100.00 100.00 100.00 0.00

Beans 100.00 100.00 100.00 0.00

Peas 100.00 100.00 100.00 0.00

Lentils 100.00 100.00 100.00 0.00

Chickpeas 100.00 100.00 100.00 0.00

Mustard 100.00 100.00 100.00 0.00

Sesame 100.00 100.00 100.00 0.00

Sunflower 100.00 100.00 100.00 0.00

Flax 100.00 100.00 100.00 0.00

Alfalfa 100.00 100.00 100.00 0.00

Hay 100.00 100.00 100.00 0.00

Grass 100.00 100.00 100.00 0.00

Straw 100.00 100.00 100.00 0.00

Wheat 100.00 100.00 100.00 0.00

Barley 100.00 100.00 100.00 0.00

Oats 100.00 100.00 100.00 0.00

Rye 100.00 100.00 100.00 0.00

Soybeans 100.00 100.00 100.00 0.00

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Straw 100.00 100.00 100.00 0.00

Wheat 100.00 100.00 100.00 0.00

Barley 100.00 100.00 100.00 0.00

Oats 100.00 100.00 10

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The conference agenda for this year includes the following events:

- | | |
|--|---|
| <input checked="" type="checkbox"/> SOUTHERN AFRICA INVESTMENT SUMMIT
Johannesburg, September 11-12 | <input checked="" type="checkbox"/> THE BALKANS INVESTMENT SUMMIT
Athens, October 30-31 |
| <input checked="" type="checkbox"/> INTERNATIONAL BUSINESS OUTLOOK
Oxford, September 20-22 | <input checked="" type="checkbox"/> OIL & MONEY
London, November 2-3 |
| <input checked="" type="checkbox"/> THE PHILIPPINE SUMMIT
Manila, September 27-28 | <input checked="" type="checkbox"/> MERCOSUR: INVESTING IN INFRASTRUCTURE
Brazil, November 27-28 |
| <input checked="" type="checkbox"/> THE NEW FRANCE:
IMPLICATIONS FOR GLOBAL BUSINESS
Paris, October 16-17 | <input checked="" type="checkbox"/> THE MALAYSIA SUMMIT
Kuala Lumpur, November 29-30 |
| <input checked="" type="checkbox"/> THE UNITED GERMANY:
IMPACT ON BUSINESS & THE ECONOMY.
Berlin, October 19 | <input checked="" type="checkbox"/> GLOBAL FUND MANAGEMENT
Singapore, December 4-5 |
| | <input checked="" type="checkbox"/> GULF INVESTMENT SUMMIT
Kuwait, Early December* |

* Exact date to be decided.

For further information about any of the above conferences, please telephone or fax

Brenda Erdmann Hagerty,
International Herald Tribune,
Conference Office, 63 Long Acre, London WC2E 9JH.
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Herald Tribune

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THE WORLD'S DAILY NEWSPAPER

Poland Moves on Inflation

Measures Seek to Slow It to 20% by Year-End

Reuters

WARSAW — Finance Minister Grzegorz Kolodko won support from cabinet colleagues Tuesday for measures aimed at getting Poland's annual inflation rate down to 20 percent by the end of 1995.

The package, adopted after a week of intensive discussions, allows liberalization of some food imports, more intervention in the food market, tighter wage and price controls and stricter budgetary discipline.

Mr. Kolodko said that if all those measures were implemented and there was no social unrest this year, he believed the annual inflation rate could be reduced to 20 percent.

Inflation, which was running at a 32 percent rate in April, has accelerated since the middle of last year because of soaring

food prices and rising foreign currency reserves that increased the money supply.

As a result, the government had to raise its inflation target for December 1995 to 20 percent from 17 percent, and even that is in doubt, analysts said.

Last month, Mr. Kolodko warned his leftist coalition of ex-Communists and peasants' party that inflation could slip out of control.

Mr. Kolodko said the government would also try to cut inflation by encouraging institutions and individuals to buy more government securities, broadening the financing of the budget deficit.

He said it was essential to keep the deficit within this year's target of no more than 3.3 percent of gross domestic product.

Under the plan, the government is to make sure state-

owned enterprises do not pay workers more than last year's labor accords called for. It also pledged not to raise prices on drugs and central heating this year.

Warsaw also plans to closely monitor price increases by the state-owned telecommunications company, national railway and post office.

Mr. Kolodko, who blamed the rise of inflation on the central bank's failure to curb money supply, urged the bank to slow down the monthly devaluation of the zloty against a basket of hard currencies.

Last month, the National Bank of Poland widened the band in which the zloty could trade against other currencies to 7 percent, from 2 percent. The move was expected to curb the inflow of foreign currency and slow inflation.

IBM Bid for Lotus Unlikely To Hit U.S. Antitrust Snag

By Keith Bradsher
New York Times Service

WASHINGTON — Unlike the effort by Microsoft Corp. this spring to buy a rival software company, the unsolicited bid by IBM for Lotus Development Co. is unlikely to face a federal antitrust challenge, antitrust experts say.

Three former heads of the Justice Department's antitrust division said Monday that while International Business Machines Corp. might remain the nation's largest computer company, federal antitrust enforcement rules did not call for challenging deals based on the sheer size of the companies involved.

The department instead would challenge a deal that would allow the company to dominate the market for a product so much that it could raise prices with little fear of losing sales to competitors, they said. Federal officials declined to comment on the bid by IBM.

IBM and Lotus produce very different products. IBM remains strong in the markets for powerful computers and the programs to run them. But it is weak in personal computer programs.

MATCH: IBM's Bet

Continued from Page 13

positions in network computing.

Last month, for example, Computer Associates International Inc., a leading supplier of large-system software, bid \$1.78 billion for Legent Corp. Computer Associates executives spoke glowingly of Legent's attractive client-server software.

The history of the computer business has been one not only of rapid technological development but also of new uses for computing that gave people a reason to buy the new technology. Back in the 1950s, IBM's early computers replaced the old punch-card machines in corporate accounting departments, saving time and money.

In the 1960s, IBM mainframes became the industrial-strength calculating tools that were crucial to everything from the space race to mass marketing. After IBM introduced its first personal computer in 1981, it was the financial spreadsheet Lotus 1-2-3 that became the main reason companies had to buy PCs.

"In the 1990s, the personal computer is becoming more and more a communications device," said Richard Shaffer of the research firm Technologic Partners.

The business opportunity in network computing, both in the corporate market and beyond, is large and varied. The market for client-server software, for example, has jumped from \$197 million in 1991 to an estimated \$5.9 billion this year, Forrester Research says.

The outlook for companies supplying software, services and access to the Internet, which links millions of computers worldwide, also looks bright, though it is just starting to become a genuine business. Forrester estimates that Internet business will increase from \$346 million this year to nearly \$10.9 billion by 2000.

Yet fear, as well as opportunity, is behind the scramble by companies like IBM to stake a solid position in network computing. Any company that does not move quickly, according to industry wisdom, will be supplanted by the software giant Microsoft Corp.

"Microsoft is always the backdrop to any move in computing software these days," said Mr. Winkler of Gartner Group. "IBM's inferiority complex in software is always in respect to Microsoft."

Relations between Microsoft and IBM go back to 1981, when Big Blue chose the company to supply the operating system for its personal computers. In retrospect, granting such a key role to an outsider was a blunder because it ceded to Microsoft the franchise for the software texture of the PC industry.

In 1986, the two companies were jointly developing IBM's OS/2 operating system. But Microsoft broke away in 1990, producing Windows, which became the industry standard.

With Notes, IBM sees a way to grab one of the hottest products in the market for teamwork software, called groupware. Groupware is a key slice of the PC software market in which Microsoft has uncharacteristically struggled, giving IBM a rare chance to beat its rival.

Microsoft is working hard to come up with a groupware offering, but analysts do not expect it to produce a credible rival to Notes for at least a year.

The bid for Lotus is IBM's effort to become a real alternative in software to Microsoft, said James F. Moore, president of Geopartners Research Inc. "IBM's message to its big corporate customers has been, 'We can bring you from our old world of computing into the new world.' And Lotus is clearly part of the new world."

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High Low Stock

DATE	OPEN	HIGH	LOW	CLOSE	VOLUME
1991-01-02	10.00	10.50	9.50	10.25	1000000
1991-01-03	10.25	10.75	9.75	10.50	1200000
1991-01-04	10.50	11.00	10.00	10.75	1100000
1991-01-05	10.75	11.25	10.25	11.00	1300000
1991-01-06	11.00	11.50	10.50	11.25	1400000
1991-01-09	11.25	11.75	10.75	11.50	1500000
1991-01-10	11.50	12.00	11.00	11.75	1600000
1991-01-11	11.75	12.25	11.25	12.00	1700000
1991-01-12	12.00	12.50	11.50	12.25	1800000
1991-01-13	12.25	12.75	11.75	12.50	1900000
1991-01-16	12.50	13.00	12.00	12.75	2000000
1991-01-17	12.75	13.25	12.25	13.00	2100000
1991-01-18	13.00	13.50	12.50	13.25	2200000
1991-01-19	13.25	13.75	12.75	13.50	2300000
1991-01-22	13.50	14.00	13.00	13.75	2400000
1991-01-23	13.75	14.25	13.25	14.00	2500000
1991-01-24	14.00	14.50	13.50	14.25	2600000
1991-01-25	14.25	14.75	13.75	14.50	2700000
1991-01-26	14.50	15.00	14.00	14.75	2800000
1991-01-29	14.75	15.25	14.25	15.00	2900000
1991-01-30	15.00	15.50	14.50	15.25	3000000
1991-01-31	15.25	15.75	14.75	15.50	3100000
1991-02-01	15.50	16.00	15.00	15.75	3200000
1991-02-02	15.75	16.25	15.25	16.00	3300000
1991-02-03	16.00	16.50	15.50	16.25	3400000
1991-02-06	16.25	16.75	15.75	16.50	3500000
1991-02-07	16.50	17.00	16.00	16.75	3600000
1991-02-08	16.75	17.25	16.25	17.00	3700000
1991-02-09	17.00	17.50	16.50	17.25	3800000
1991-02-12	17.25	17.75	16.75	17.50	3900000
1991-02-13	17.50	18.00	17.00	17.75	4000000
1991-02-14	17.75	18.25	17.25	18.00	4100000
1991-02-15	18.00	18.50	17.50	18.25	4200000
1991-02-16	18.25	18.75	17.75	18.50	4300000
1991-02-21	18.50	19.00	18.00	18.75	4400000
1991-02-22	18.75	19.25	18.25	19.00	4500000
1991-02-23	19.00	19.50	18.50	19.25	4600000
1991-02-24	19.25	19.75	18.75	19.50	4700000
1991-02-27	19.50	20.00	19.00	19.75	4800000
1991-02-28	19.75	20.25	19.25	20.00	4900000
1991-03-01	20.00	20.50	19.50	20.25	5000000
1991-03-02	20.25	20.75	19.75	20.50	5100000
1991-03-03	20.50	21.00	20.00	20.75	5200000
1991-03-06	20.75	21.25	20.25	21.00	5300000
1991-03-07	21.00	21.50	20.50	21.25	5400000
1991-03-08	21.25	21.75	20.75	21.50	5500000
1991-03-09	21.50	22.00	21.00	21.75	5600000
1991-03-12	21.75	22.25	21.25	22.00	5700000
1991-03-13	22.00	22.50	21.50	22.25	5800000
1991-03-14	22.25	22.75	21.75	22.50	5900000
1991-03-15	22.50	23.00	22.00	22.75	6000000
1991-03-16	22.75	23.25	22.25	23.00	6100000
1991-03-19	23.00	23.50	22.50	23.25	6200000
1991-03-20	23.25	23.75	22.75	23.50	6300000
1991-03-21	23.50	24.00	23.00	23.75	6400000
1991-03-22	23.75	24.25	23.25	24.00	6500000
1991-03-23	24.00	24.50	23.50	24.25	6600



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The 1,000 most-traded National Market securities in terms of dollar value, updated twice a year.
The Associated Press.

[illegible]

1979-80		1980-81		1981-82		1982-83		1983-84		1984-85		1985-86		1986-87		1987-88		1988-89		1989-90		1990-91		1991-92		1992-93		1993-94		1994-95		1995-96		1996-97		1997-98		1998-99		1999-00		2000-01		2001-02		2002-03		2003-04		2004-05		2005-06		2006-07		2007-08		2008-09		2009-10		2010-11		2011-12		2012-13		2013-14		2014-15		2015-16		2016-17		2017-18		2018-19		2019-20		2020-21		2021-22		2022-23		2023-24		2024-25		2025-26		2026-27		2027-28		2028-29		2029-30		2030-31		2031-32		2032-33		2033-34		2034-35		2035-36		2036-37		2037-38		2038-39		2039-40		2040-41		2041-42		2042-43		2043-44		2044-45		2045-46		2046-47		2047-48		2048-49		2049-50		2050-51		2051-52		2052-53		2053-54		2054-55		2055-56		2056-57		2057-58		2058-59		2059-60		2060-61		2061-62		2062-63		2063-64		2064-65		2065-66		2066-67		2067-68		2068-69		2069-70		2070-71		2071-72		2072-73		2073-74		2074-75		2075-76		2076-77		2077-78		2078-79		2079-80		2080-81		2081-82		2082-83		2083-84		2084-85		2085-86		2086-87		2087-88		2088-89		2089-90		2090-91		2091-92		2092-93		2093-94		2094-95		2095-96		2096-97		2097-98		2098-99		2099-00		2100-01		2101-02		2102-03		2103-04		2104-05		2105-06		2106-07		2107-08		2108-09		2109-10		2110-11		2111-12		2112-13		2113-14		2114-15		2115-16		2116-17		2117-18		2118-19		2119-20		2120-21		2121-22		2122-23		2123-24		2124-25		2125-26		2126-27		2127-28		2128-29		2129-30		2130-31		2131-32		2132-33		2133-34		2134-35		2135-36		2136-37		2137-38		2138-39		2139-40		2140-41		2141-42		2142-43		2143-44		2144-45		2145-46		2146-47		2147-48		2148-49		2149-50		2150-51		2151-52		2152-53		2153-54		2154-55		2155-56		2156-57		2157-58		2158-59		2159-60		2160-61		2161-62		2162-63		2163-64		2164-65		2165-66		2166-67		2167-68		2168-69		2169-70		2170-71		2171-72		2172-73		2173-74		2174-75		2175-76		2176-77		2177-78		2178-79		2179-80		2180-81		2181-82		2182-83		2183-84		2184-85		2185-86		2186-87		2187-88		2188-89		2189-90		2190-91		2191-92		2192-93		2193-94		2194-95		2195-96		2196-97		2197-98		2198-99		2199-00		2200-01		2201-02		2202-03		2203-04		2204-05		2205-06		2206-07		2207-08		2208-09		2209-10		2210-11		2211-12		2212-13		2213-14		2214-15		2215-16		2216-17		2217-18		2218-19		2219-20		2220-21		2221-22		2222-23		2223-24		2224-25		2225-26		2226-27		2227-28		2228-29		2229-30		2230-31		2231-32		2232-33		2233-34		2234-35		2235-36		2236-37		2237-38		2238-39		2239-40		2240-41		2241-42		2242-43		2243-44		2244-45		2245-46		2246-47		2247-48		2248-49		2249-50		2250-51		2251-52		2252-53		2253-54		2254-55		2255-56		2256-57		2257-58		2258-59		2259-60		2260-61		2261-62		2262-63		2263-64		2264-65		2265-66		2266-67		2267-68		2268-69		2269-70		2270-71		2271-72		2272-73		2273-74		2274-75		2275-76		2276-77		2277-78		2278-79		2279-80		2280-81		2281-82		2282-83		2283-84		2284-85		2285-86		2286-87		2287-88		2288-89		2289-90		2290-91		2291-92		2292-93		2293-94		2294-95		2295-96		2296-97		2297-98		2298-99		2299-00		2300-01		2301-02		2302-03		2303-04		2304-05		2305-06		2306-07		2307-08		2308-09		2309-10		2310-11		2311-12		2312-13		2313-14		2314-15		2315-16		2316-17		2317-18		2318-19		2319-20		2320-21		2321-22		2322-23		2323-24		2324-25		2325-26		2326-27		2327-28		2328-29		2329-30		2330-31		2331-32		2332-33		2333-34		2334-35		2335-36		2336-37		2337-38		2338-39		2339-40		2340-41		2341-42		2342-43		2343-44		2344-45		2345-46		2346-47		2347-48		2348-49		2349-50		2350-51		2351-52		2352-53		2353-54		2354-55		2355-56		2356-57		2357-58		2358-59		2359-60		2360-61		2361-62		2362-63		2363-64		2364-65		2365-66		2366-67		2367-68		2368-69		2369-70		2370-71		2371-72		2372-73		2373-74		2374-75		2375-76		2376-77		2377-78		2378-79		2379-80		2380-81		2381-82		2382-83		2383-84		2384-85		2385-86		2386-87		2387-88		2388-89		2389-90		2390-91		2391-92		2392-93		2393-94		2394-95		2395-96		2396-97		2397-98		2398-99		2399-00		2400-01		2401-02		2402-03		2403-04		2404-05		2405-06		2406-07		2407-08		2408-09		2409-10		2410-11		2411-12		2412-13		2413-14		2414-15		2415-16		2416-17		2417-18		2418-19		2419-20		2420-21		2421-22		2422-23		2423-24		2424-25		2425-26		2426-27		2427-28		2428-29		2429-30		2430-31		2431-32		2432-33		2433-34		2434-35		2435-36		2436-37		2437-38		2438-39		2439-40		2440-41		2441-42		2442-43		2443-44		2444-45		2445-46		2446-47		2447-48		2448-49		2449-50		2450-51		2451-52		2452-53		2453-54		2454-55		2455-56		2456-57		2457-58		2458-59		2459-60		2460-61		2461-62		2462-63		2463-64		2464-65		2465-66		2466-67		2467-68		2468-69		2469-70		2470-71		2471-72		2472-73		2473-74		2474-75		2475-76		2476-77		2477-78		2478-79		2479-80		2480-81		2481-82		2482-83		2483-84		2484-85		2485-86		2486-87		2487-88		2488-89		2489-90		2490-91		2491-92		2492-93		2493-94		2494-95		2495-96		2496-97		2497-98		2498-99		2499-00		2500-01		2501-02		2502-03		2503-04		2504-05		2505-06		2506-07		2507-08		2508-09		2509-10		2510-11		2511-12		2512-13		2513-14		2514-15		2515-16		2516-17		2517-18		2518-19		2519-20		2520-21		2521-22		2522-23		2523-24		2524-25		2525-26		2526-27		2527-28		2528-29		2529-30		2530-31		2531-32		2532-33		2533-34		2534-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Tuesday's 4 p.m. Close

[illegible]

12 Months	High	Low	Stock	Div	Yld	P/E	52 Wk	High	Low	Latest	Chg Pk
199	10.00	9.00	Amalgamated					10.00	9.00	9.50	0.50
200	10.00	9.00	Amalgamated					10.00	9.00	9.50	0.50
201	10.00	9.00	Amalgamated					10.00	9.00	9.50	0.50
202	10.00	9.00	Amalgamated					10.00	9.00	9.50	0.50
203	10.00	9.00	Amalgamated					10.00	9.00	9.50	0.50
204	10.00	9.00	Amalgamated					10.00	9.00	9.50	0.50
205	10.00	9.00	Amalgamated					10.00	9.00	9.50	0.50
206	10.00	9.00	Amalgamated					10.00	9.00	9.50	0.50
207	10.00	9.00	Amalgamated					10.00	9.00	9.50	0.50
208	10.00	9.00	Amalgamated					10.00	9.00	9.50	0.50
209	10.00	9.00	Amalgamated					10.00	9.00	9.50	0.50
210	10.00	9.00	Amalgamated					10.00	9.00	9.50	0.50
211	10.00	9.00	Amalgamated					10.00	9.00	9.50	0.50
212	10.00	9.00	Amalgamated					10.00	9.00	9.50	0.50
213	10.00	9.00	Amalgamated					10.00	9.00	9.50	0.50
214	10.00	9.00	Amalgamated					10.00	9.00	9.50	0.50
215	10.00	9.00	Amalgamated					10.00	9.00	9.50	0.50
216	10.00	9.00	Amalgamated					10.00	9.00	9.50	0.50
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218	10.00	9.00	Amalgamated					10.00	9.00	9.50	0.50
219	10.00	9.00	Amalgamated					10.00	9.00	9.50	0.50
220	10.00	9.00	Amalgamated					10.00	9.00	9.50	0.50
221	10.00	9.00	Amalgamated					10.00	9.00	9.50	0.50
222	10.00	9.00	Amalgamated					10.00	9.00	9.50	0.50
223	10.00	9.00	Amalgamated					10.00	9.00	9.50	0.50
224	10.00	9.00	Amalgamated					10.00	9.00	9.50	0.50
225	10.00	9.00	Amalgamated					10.00	9.00	9.50	0.50
226	10.00	9.00	Amalgamated					10.00	9.00	9.50	0.50
227	10.00	9.00	Amalgamated					10.00	9.00	9.50	0.50
228	10.00	9.00	Amalgamated					10.00	9.00	9.50	0.50
229	10.00	9.00	Amalgamated					10.00	9.00	9.50	0.50
230	10.00	9.00	Amalgamated					10.00	9.00	9.50	0.50
231	10.00	9.00	Amalgamated					10.00	9.00	9.50	0.50
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238	10.00	9.00	Amalgamated					10.00	9.00	9.50	0.50
239	10.00	9.00	Amalgamated					10.00	9.00	9.50	0.50
240	10.00	9.00	Amalgamated					10.00	9.00	9.50	0.50
241	10.00	9.00	Am					10.00	9.00	9.50	0.50

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17 Month High Low Stock	Div	Yld Pct	Stk 100	High	Low	Last Cr.
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77 Month	High	Low	Stock	Div	Yld	PE	Ratio	Std	Low	Label	Ch
1977	100.00	90.00	100.00	0.00	10.00	10.00	1.00	1.00	1.00	1.00	1.00
1978	110.00	100.00	110.00	0.00	11.00	11.00	1.10	1.10	1.10	1.10	1.10
1979	120.00	110.00	120.00	0.00	12.00	12.00	1.20	1.20	1.20	1.20	1.20
1980	130.00	120.00	130.00	0.00	13.00	13.00	1.30	1.30	1.30	1.30	1.30
1981	140.00	130.00	140.00	0.00	14.00	14.00	1.40	1.40	1.40	1.40	1.40
1982	150.00	140.00	150.00	0.00	15.00	15.00	1.50	1.50	1.50	1.50	1.50
1983	160.00	150.00	160.00	0.00	16.00	16.00	1.60	1.60	1.60	1.60	1.60
1984	170.00	160.00	170.00	0.00	17.00	17.00	1.70	1.70	1.70	1.70	1.70
1985	180.00	170.00	180.00	0.00	18.00	18.00	1.80	1.80	1.80	1.80	1.80
1986	190.00	180.00	190.00	0.00	19.00	19.00	1.90	1.90	1.90	1.90	1.90
1987	200.00	190.00	200.00	0.00	20.00	20.00	2.00	2.00	2.00	2.00	2.00
1988	210.00	200.00	210.00	0.00	21.00	21.00	2.10	2.10	2.10	2.10	2.10
1989	220.00	210.00	220.00	0.00	22.00	22.00	2.20	2.20	2.20	2.20	2.20
1990	230.00	220.00	230.00	0.00	23.00	23.00	2.30	2.30	2.30	2.30	2.30
1991	240.00	230.00	240.00	0.00	24.00	24.00	2.40	2.40	2.40	2.40	2.40
1992	250.00	240.00	250.00	0.00	25.00	25.00	2.50	2.50	2.50	2.50	2.50
1993	260.00	250.00	260.00	0.00	26.00	26.00	2.60	2.60	2.60	2.60	2.60
1994	270.00	260.00	270.00	0.00	27.00	27.00	2.70	2.70	2.70	2.70	2.70
1995	280.00	270.00	280.00	0.00	28.00	28.00	2.80	2.80	2.80	2.80	2.80
1996	290.00	280.00	290.00	0.00	29.00	29.00	2.90	2.90	2.90	2.90	2.90
1997	300.00	290.00	300.00	0.00	30.00	30.00	3.00	3.00	3.00	3.00	3.00
1998	310.00	300.00	310.00	0.00	31.00	31.00	3.10	3.10	3.10	3.10	3.10
1999	320.00	310.00	320.00	0.00	32.00	32.00	3.20	3.20	3.20	3.20	3.20
2000	330.00	320.00	330.00	0.00	33.00	33.00	3.30	3.30	3.30	3.30	3.30
2001	340.00	330.00	340.00	0.00	34.00	34.00	3.40	3.40	3.40	3.40	3.40
2002	350.00	340.00	350.00	0.00	35.00	35.00	3.50	3.50	3.50	3.50	3.50
2003	360.00	350.00	360.00	0.00	36.00	36.00	3.60	3.60	3.60	3.60	3.60
2004	370.00	360.00	370.00	0.00	37.00	37.00	3.70	3.70	3.70	3.70	3.70
2005	380.00	370.00	380.00	0.00	38.00	38.00	3.80	3.80	3.80	3.80	3.80
2006	390.00	380.00	390.00	0.00	39.00						

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The first of these is the
 fact that the British
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 necessary funds to
 carry out its policy of
 maintaining the
 Empire. This has been
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 the depreciation of the
 pound, and the
 general economic
 depression. The
 result has been that
 the British Government
 has been forced to
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 and to accept a policy
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 This has led to the
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 and the West Indies.

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Quotations supplied by funds listed, and transmitted by letter or electronic means, shall be based on the latest available information. Quotations shall be supplied by the Funds listed with the exception of some quotes based on [redacted] prices.

sequence of questions supplied: (d) - daily (w) - weekly (m) - monthly (q) - quarterly (a) - annually

Information on how to list your fund, fax Katy Hourai at (33-1) 41 43 92

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Seles to Play Navratilova Next Month

Compiled by Our Staff From Dispatches
NEW YORK — Monica Seles will return to tennis after an absence of more than two years with a exhibition match against Martina Navratilova on July 29, CBS Sports announced Tuesday.

The network said it will telecast the match live from a site to be announced later.

Seles, who was ranked No. 1 at the time, has not played competitively since she was stabbed in the back by a deranged spectator during a match in Hamburg on April 30, 1993. She has cited emotional stress as the major reason for not returning to the women's circuit.

Navratilova, who was elected president of the WTA Tour following her retirement from singles play last November, has been attempting to persuade Seles to come back.

Both players are represented by IMG, the Mark McCormack Group of Companies. CBS did not say how much it had paid for the event.

The network said that, on July 8, Seles would also appear at the Special Olympics World Games in New Haven, Connecticut, and conduct a clinic. No announcement has been made about her competing in any tour events. (AP, Reuters)

Injury and Kafelnikov Stop Agassi, Wimbledon in Doubt

Muster and Women's Favorites Gain Semifinals

By Christopher Clarey
Special to the Herald Tribune

PARIS — It was here at Stade Roland Garros, on its center court rich in history and minerals, that Andre Agassi first experienced the sting of failing to live up to high expectations.

The year was 1990. His taste in clothing was fluorescent. His shaggy hair was dark at the roots and blond everywhere else. His opponent was an aging, amiable Ecuadorian named Andres Gomez, who proceeded to confound the more talented, more charismatic and clearly more apprehensive Agassi in the final.

Since then, Agassi has changed the clothes, lost the hair and shed his reputation for coming up small in his sport's seminal events, winning titles at Flinders Park, at Wimbledon and the National Tennis Center in Flushing Meadow. But this Grand Slam tournament and this center court still refuse to cooperate.

On Tuesday, Agassi again felt the sting of failure at the French Open, only this time the sting was emanating from his right hip flexor. Agassi strained the muscle early in the first set of his quarterfinal against the gifted Russian shotmaker Yevgeni Kafelnikov. It was enough to transform a match Agassi was expected to win into a stunning 6-4, 6-3, 7-5 defeat.

"There are not too many guys in the top 100 I think I could have beaten feeling like that," Agassi said. "It's a different disappointment. To come close and not win is different than to get injured. Now, I'm worried about Wimbledon and worried about this summer. You're a neurotic athlete whose worst nightmare is to become injured. You need your body."

Agassi surely would have needed body and soul to get past the ninth-

seeded Kafelnikov, who came roaring out of the blocks, matching Agassi's baseline bolts with bolts of his own. But what could have been a match full of spark and inspiration soon took a turn for the pedestrian when, in either the third or fourth game of the match, Agassi couldn't remember, he felt a stab of pain while sliding for a groundstroke.

"I kept waiting for it to ease up," he said. "I didn't call for the trainer until I was convinced it was getting worse."

By the time the trainer, Bill Norris, came on court, the top-seeded Agassi had lost the first set and was down, 2-1, in the second. He quickly left the court for a three-minute injury break, swallowed some aspirin and then returned with his upper right leg wrapped tightly.

"He's on his own; I think it's got to affect him," said Norris, who later said it was "not at all certain" Agassi would be able to play at Wimbledon, which begins June 26.

Agassi never limped noticeably. He was still able to run for shots and go through the motions with a certain panache, but — in part because of Kafelnikov's pace and accuracy — he seldom was able to change directions effectively or throw his relatively stiff frame into the ball with enough abandon to generate the punch that has become his signature.

"I couldn't move out well to the

right or go for the serve as it got worse," Agassi said. "Really, the smart thing is not to continue when you know it's not getting better. But that's something that doesn't feel good ever in a Grand Slam tournament."

It was a question of quantity and quality at Roland Garros on Tuesday, the busiest day of the second week. On Court A was the quantity: four women's quarterfinal matches, each nearly as lopsided as the other. It began with Kimiko Date becoming the first Japanese woman to reach the semifinals here by defeating Iva Majoli, 7-5, 6-1. Date's next opponent will be the No. 1 seed and defending champion, Arantxa Sanchez Vicario, who beat unseeded American Chanda Rubin, 6-3, 6-1.

The other semifinal on Thursday will feature the two most impressive players in the women's tournament: No. 2 seed Steffi Graf and No. 4 seed Conchita Martinez. Graf was brilliant as she dominated her fading peer Gabriela Sabatini, 6-1, 6-0, in 54 minutes. Martinez started just as strongly, then held on to defeat the unseeded Virginia Ruano-Pascual, 6-0, 6-4.

"Today, I had a perfect day; that's all I can say," said Graf, who nonetheless expressed displeasure that none of the women's matches were scheduled on the more prestigious center court.

As it turned out, it was difficult to question the organizers' judgment. All the day's drama was provided by the men, and though Agassi's defeat was certainly gripping, the best match came earlier, when Austria's fifth-seeded Thomas Muster and the unseeded Spaniard Alberto Costa locked forehands and grunts in a classic, five-set claycourt tussle. Muster was the winner, 6-2, 3-6,



Yevgeni Kafelnikov matched Andre Agassi, bolt for baseline bolt, until a hip muscle intervened.

6-7 (6-8), 7-5, 6-2, and will play Kafelnikov in the semifinals on Friday. The surprise was that to rid himself of the 19-year-old Costa, Muster had to rally from a two-set-to-one deficit and recover from blowing a 5-3 lead in the fourth set.

"I never thought about losing," Muster said in his rumble of a voice.

Perhaps not, but he appeared slower than usual and even tentative on occasion. What ultimately earned him his 33rd straight victory on clay was some nervous play from Costa late in the fourth set and his own superior conditioning. Muster was

still jogging in place in the latter stages of the fifth set.

"I felt tired in the fifth," admitted Costa, the latest in a rapidly lengthening line of talented Spanish clay-courtiers.

The other men's semifinalists will be determined Wednesday, when No. 5 seed Michael Chang faces qualifier Adrian Panatta of Romania and defending champion Sergi Bruguera, the No. 7 seed, faces Remy Furlan of Italy.

None of them has to worry about running into Agassi in the final. For that, they can thank the injury and Kafelnikov. The Russian with the choir-boy haircut is perhaps the most

talented young player in tennis — his peers call him "Kafelnikov" after the weapon — but though he rose to No. 4 in the rankings earlier this year, his eyes grew too big for his psyche. And after playing in too many tournaments this spring, he listlessly lost in the first round in his last three.

He actually considered withdrawing from this tournament, but a week of rest, relaxation and fishing in his hometown of Sochi on the Black Sea coast apparently freshened his outlook and clearly changed his luck.

"I never thought I could beat Andre here," he said. "Not in the tournament he has never won."

Springbok's Ban Upheld by Officials

Compiled by Our Staff From Dispatches

JOHANNESBURG — Springbok hooker James Dalton lost his appeal Tuesday, when Rugby World Cup officials confirmed his 30-day suspension, three days before South Africa's quarterfinal match against Western Samoa.

Dalton was suspended after he was sent off, along with two Canadian players, for fighting during last Saturday's match. A teammate, wing Pieter Hendriks, was suspended Monday, but the Springboks appealed Dalton's punishment, claiming that he had been trying to break up the fight.

"After considering all the evidence available, the RWC disputes committee decided to reject the appeal of South African hooker James Dalton," the committee said in a statement.

Dalton, 22, broke into tears on learning that his World Cup was over.

"How would you feel after you had trained so hard for something," he said. "Obviously I feel what has happened to me is an extreme injustice."

He will be replaced by the highly-regarded Naka Drotseke of Free State province.

David McHugh, the Irish referee who sent off Dalton, was among the 14 officials named on Tuesday for the final stages of the World Cup. The chairman of the referees' appointment panel, Tom Dooley said, McHugh had been selected on merit and not as a reward.

Chester Williams, the star wing who injured a hamstring last month but was recalled to the squad after Hendriks was suspended, said Tuesday he was fit to play but would have liked to be rejoined to the team without controversy.

"I am feeling very fit at the moment. I am delighted to be back," said Williams.



Chester Williams: "Feeling very fit."

who has scored seven tries in 11 tests. Williams, the only non-white player on the South African squad, flew from Cape Town to join the Springboks for training in Johannesburg.

"It all happened so fast. I didn't even pack my own bags," he said.

Max Brito, the Ivory Coast player whose neck was injured, underwent surgery Tuesday but will remain paralyzed, the team's doctor said.

Dr. Jean-Louis Bile said, after viewing scans of the injury, that Brito's spinal chord had been snapped at the level of the fifth vertebrae. (AP, Reuters, AF)

U.S. Soccer League To Open in March

The Associated Press

NEW YORK — Organizers of a first-division soccer league in the United States completed their franchise lineup Tuesday by adding teams in Dallas, Kansas City and Denver.

Alan I. Rothenberg, chairman of Major League Soccer, said the 10-team circuit would begin its first season next March 31, and crown its first champion on Oct. 20, 1996.

In addition to the new cities, MLS franchises will play in Boston; Columbus, Ohio; Los Angeles; New York-New Jersey; San Jose, California; Tampa, Florida; and Washington.

Dallas, which will play its home games in the Cotton Bowl, replaces Chicago, which had been awarded a franchise but is now listed as a front-runner for an expansion team, according to a league statement.

Each team will play 32 games to eliminate one team in each of the five-city divisions. The remaining four from each division advance to best-of-3 conference semifinals and finals, with the winners meeting in a one-game championship match. The title match will be played at a neutral site to be announced later.

Rothenberg, who directed the U.S. World Cup organization, said final financing for the league had been secured, and that major investors included Denver arena developer Philip Anschutz, the New England Patriots' owner Robert Kraft, Lamar Hunt, owner of the Kansas City Chiefs and one of the founders of the old American Football League, and John Kluge and Stuart Subotnick, partners in the Metromedia entertainment empire, who will run the New York-New Jersey franchise.

The Other Side of the Great Asian Divide

International Herald Tribune

LONDON — Turning paddy fields into soccer fields: That could serve as a slogan for Japan's political elders as they venture out in search of votes to stage the 2002 World Cup.

"It may seem our young people are the first in Japan to become really involved with soccer," observes Kiyohiko Miyazawa. "I played the game at junior high school from 1931-1938, but that was rare. It was a private school with a compound big enough for team games. In the country at large, because of our mountainous terrain, if a field was large enough we grew rice there."

Last weekend, Miyazawa watched at Wembley Stadium as Japan came within two minutes of humbling England. Some of the Japanese players looked appreciably better masters of the ball than the sons of soccer's motherland. But daughters also play, and Miyazawa has journeyed out to Sweden, where Japan is competing in the women's World Cup. Indisputably, Japan's stock is rising. It has yet to reach a men's World Cup, but the promise is there, it under-17 and under-20 players having finished in the top eight of FIFA world events this year.

Kiyohiko Miyazawa is more than a passive supporter. Japan's prime minister from 1991 to '93, he chairs a Diet action committee representing 339 members of all parties from both houses of parliament. His mission is to convince FIFA to choose Japan, rather than South Korea, to play host to the first World Cup of the next millennium. In effect, Miyazawa is Japan's answer to Chung Mong Joon, the immensely influential Korean whose efforts to persuade voters has begun to concern those who considered Japan a 2002 certainty.

FIFA's president, Joao Havelange, with customary disregard for democracy, last week sprung on the organization's executive committee his proposal to bring forward the vote from next June to January or February. And, duly, a "unanimous" committee authorization was announced for an emergency general meeting early next year to decide the matter and thus minimize the "very intense lobbying that is causing bad feeling all round."

The sooner the better for Japan, which began working for a World Cup in 1989. It has inside influence: Dentsu owns 49 percent of ISL, the marketing company used by FIFA; Japanese sponsors have backed World Cups for decades; the two-year-old J-League boasts merchandising power of 280 billion yen, about \$3.3 billion; Sony Creative Products has won sole merchandising rights to the 1998 World Cup in France.

GIVEN THAT FIFA unashamedly courts money, a lesser candidate than Chung would throw up his hands and concede. Instead, his drive intensifies, his "aggressive lobbying" riles FIFA, and the Japanese maintain a low profile.

"Bitterness?" mused Miyazawa. "None that I am aware of. 'All the activities of our bid are budgeted, every source of income is explained. Whatever FIFA decides, our budget' — \$30 million for the bid alone — 'is the same. We are well qualified, we are prepared, and we rely on the 21 directors of FIFA. Whenever the decision is taken, Japan has nothing to fear, and we'll do it fair.'"

Miyazawa fields questions with polished diplomacy. He knows Japan is considered expensive, that eating out is beyond the purse of many visitors. And while Tokyo campaigns on low crime, high

public safety, unrivaled transportation and stability, he concedes there has been a series of "unfortunate occurrences."

"There have been hard lessons for us," he said. "We arrested the perpetrators, including the ringleader for the nerve gas incidents, and we have to find ways to prevent biochemical weapons."

"The Kobe earthquake was another national trauma. I hope the fact that Japan built its prosperity over the past 50 years shows that kind of earthquake does not happen very often."

He assures FIFA that the World Cup has unanimous political support, that "nothing would affect the staging, because every party — including the communists — are for it. The World Cup would make a profit, but more important is acceptance into the world family of soccer."

Waiting to speak is Seishiro Ettoh. The general secretary of the Diet committee and a former Liberal Democratic Party leader, he picks up an earlier question relating Japan's soccer boom to a new spirit of youthful rebelliousness. Ettoh, who once led a national student study group, agrees there is less deference to elders. The shift from traditional Japanese pursuits, even from baseball to soccer over the past decade, reflects this, he said.

MORE THAN HALF the 800,000 who now play registered soccer in Japan are very young," he said. "They are attracted by team play, speed, perpetual movement. We have a parallel in music: Traditional Japanese music has a very slow tempo, new music is much quicker, more active. It reflects the tempo of life. It is getting faster and faster, not only in Tokyo but in the provinces, which can be reached, because of the 'bullet train,' within 90 minutes in every direction."

Taller and younger than his chairman, Ettoh adds: "Another reason is that parents put academic pressure on children, making them go to post-school classes. Today's children want to enjoy sport, and whereas to play basketball you have to have a certain aptitude, soccer can be played any time, any where."

But is soccer a fad, will it blossom in 2002? Ettoh answers that Japan's demography, with more than 50 percent of the populace born after the war, is that of a generation attracted by speed.

Chairman Miyazawa giggles, twists in his chair and says, "So you are interviewing the wrong person!" Humor, plus a yen to join the world at play. Japanese soccer is here to stay.

Rob Hughes is on the staff of The Times.

SIDELINES

Hill Joins Boxing Card in London

LONDON (AP) — World light-heavyweight champion Virgil Hill will defend his WBA crown at Wembley stadium on July 22 in the third world title fight on the bill, it was announced Tuesday.

Hill will fight South African Gary Ballard on the card that will see Oliver McCall defend his WBC heavyweight title against Britain's Frank Bruno and Nigel Benn defend his WBC super-middleweight crown against a challenger yet to be named.

For the Record

Stan Fox, seriously injured in a first-lap crash in the Indianapolis 500, continues to improve, the hospital reported. (AP)

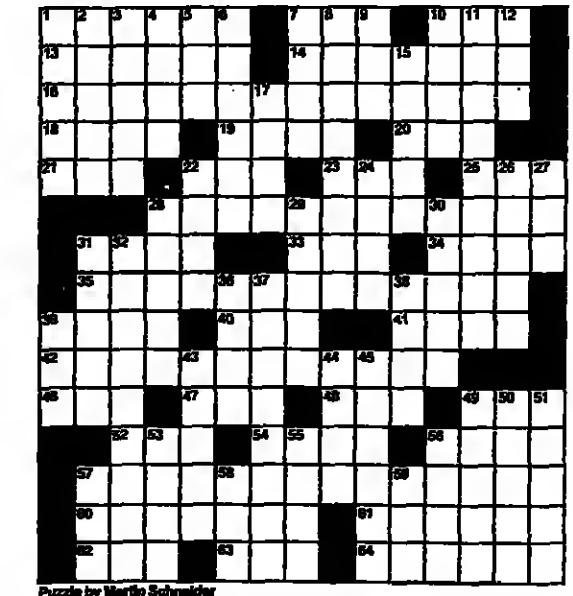
CROSSWORD

ACROSS
1 Jolly, perhaps
7 Loy's partner,
out West
10 Relative of a
foot-pounder

ABBR.
13 Book after
Solomon
14 My weather
guide
15 Bar food

16 Game of
numbers
18 Huck Finn's
transport
20 Actor Beatty
21 Whichever
22 National Gallery
of Art architect
23 Slack-jawed
feeling
25 Lamprey
26 More bar food
31 Tyler or Taylor,
e.g.
32 Kind of war
34 Monopoly card
35 Bunk
39 Duck's habitat
41 Brewery fixture
42 Rejection to a
ghost
46 Auto financing
letters
47 A pocketful, in
rhyme
48 Old Midwest
alliance: ABBR.
49 Dance part?
52 Lout
54 British informer
56 Lute feature
57 False display of
sympathy
59 Refine
61 Emu or ostrich
62 Approximately
63 Olfent river
64 Anthem part

19 Game of
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Solution to Puzzle of June 6
ACROSS
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13 Book after Solomon
14 My weather guide
15 Bar food
16 Game of numbers
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49 Dance part?
52 Lout
54 British informer
56 Lute feature
57 False display of sympathy
59 Refine
61 Emu or ostrich
62 Approximately
63 Olfent river
64 Anthem part
DOWN
1 Words preceding number or card
2 Pallid
3 Like London
4 Con mucho dinero
5 Cork source
6 1984 Davis
7 Fisherman's hook
8 Big name at Leonardo da Vinci
9 K-O bridge
10 Patch place
11 Contary Mary and others
12 Hosts
13 Ford replaced him
14 Lacking savoir-faire
15 Boxes, informally
16 Custom
17 Discharge
18 Cool-aid
19 Aristophanes
20 1984 Davis
21 "The"
22 80's TV crime batters, with "The"
23 Some of them are crazy
24 Joyful cry
25 Speakers' remuneration
26 Catch sight of
27 Kind
28 Cultivator
29 Nick Price's org.
30 At attention
31 Knitting stitch
32 California team
33 Noted business publisher
34 Budget
35 Alternative
36 Befuddled
37 Nosegay
38 Affix
39 Goat's milk product
40 Modern records
41 Source of Rockefeller wealth
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OBSERVER

A Ride in the Yugo

By Russell Baker

NEW YORK — A friend once tried to sell me his Yugo. I am reminded of it by the heavy concentration of armchair generals explaining how to bring order to the Balkans.

The Yugo, you see, was made in the Balkans. It was the Balkan version of the Chevrolet, only smaller.

The owner of this particular Yugo was a friend, but not a close friend. Our friendship was at the stage where you figure it will insult the other party's intelligence if you have to warn him off this Yugo.

By letting me discover the truth for myself, he was honoring my car-buying moxie. That's the way I see it, anyhow.

I took along my daughter, who could drive with a stick shift. I learned gear-shifting back when the stick was on the steering column. Since then it had gone back to the floor. Somebody said kids liked it on the floor because that's where hot cars which raced in Monte Carlo kept their sticks.

I never drove a hot car at Monte Carlo, or Le Mans either. I had become strictly an automatic transmission type.

So my daughter came to test-drive the Yugo. My friend had told me it was stick-on-the-floor style. Naturally I figured, stick on the floor, it must be a hot number. Ergo, my highly skilled daughter. The Yugo was about the size of one of those old Underwood desk-model typewriters: one big son-of-a-gun for a typewriter, but definitely cramped for a car.

We got in, and after several minutes of fighting, the engine turned over, and my daughter tried to put it in gear. It sounded like a galvanized washbasin was

being attacked with a monkey wrench. I suggested turning it off. She did.

My friend said don't worry, that's how she sounds when she's idling. My daughter started it again. We didn't flinch when the noise mellowed down to the sound of power saws attacking the gear box, and she got it moving out into the street.

It's awfully hard to turn, she said when we seemed due to collide with a tree despite her struggles with the wheel. I put two more hands to the wheel, and it felt the way steering an 18-wheeler must feel when the hydraulics are shot and you're doing it with pure muscle.

This outing with a Yugo had been forgotten until the other day when I found myself pondering the many strategies urged by the armchair generals of press and television for dealing with the intractable political mess in the Balkans. These birds had obviously never taken a Yugo ride.

They were full of sagacity about how to make people see things America's way and quit killing each other despite their obvious delight in killing each other. A lot of wisdom was issued, but it was abstract wisdom, not sound horse-sense wisdom that comes from riding a Yugo.

These are people not afraid to offend our mighty superpower faith in the glory of gasoline-powered motion. They are people with the reckless courage to look the awesome West in the eye and say, "I spit in the oil of your ultimate driving machines."

They fought occupying Nazis 50 years ago and lived to produce the Yugo. Armchair generals, before ordering the next bombing, should take a spin in a Yugo.

New York Times Service

By Mary B.W. Tabor

New York Times Service

CHICAGO — The morning began with an embrace and negotiations involving Pat Conroy and his latest novel, "Beach Music." "We would love to have him read at our store," urged Roxanne Coady, owner of R.J. Julia Booksellers in Madison, Connecticut, as she stood amid a crowd of booksellers. "Can you help set that up?"

Richard Hunt, marketing director of Bantam Doubleday Dell, a unit of Bertelsmann, swiftly pulled out a pad and pen. "I'll see what I can do," he said, scribbling "Roxanne — Conroy."

"I've heard he's incredible," Coady said, peering through black half-moon reading glasses. "And I've heard 'Beach Music' is just going to blow people away."

"It's a great book," he replied, hoping to be encouraging (his job, after all, is selling books) but not too encouraging (Conroy's tour is full). He smiled. She smiled. They hugged again, then each disappeared. Their schmooze, the hallmark of the weekend, was complete.

This was, after all, the annual American Booksellers Association convention, the largest book-publishing trade fair in the United States and a three-day event where more than 42,000 people — publishers, bookstore owners, scouts and agents — gathered in Chicago's McCormick Place convention center to inspect new book releases for fall and winter, key seasons, given the hefty Christmas sales.

Though the fair, once a forum for book ordering, has evolved more as a place to broker foreign publishing rights and just rub elbows, it is still regarded as a major event for taking the pulse of the \$20 billion-a-year book industry and for creating a buzz about a book.

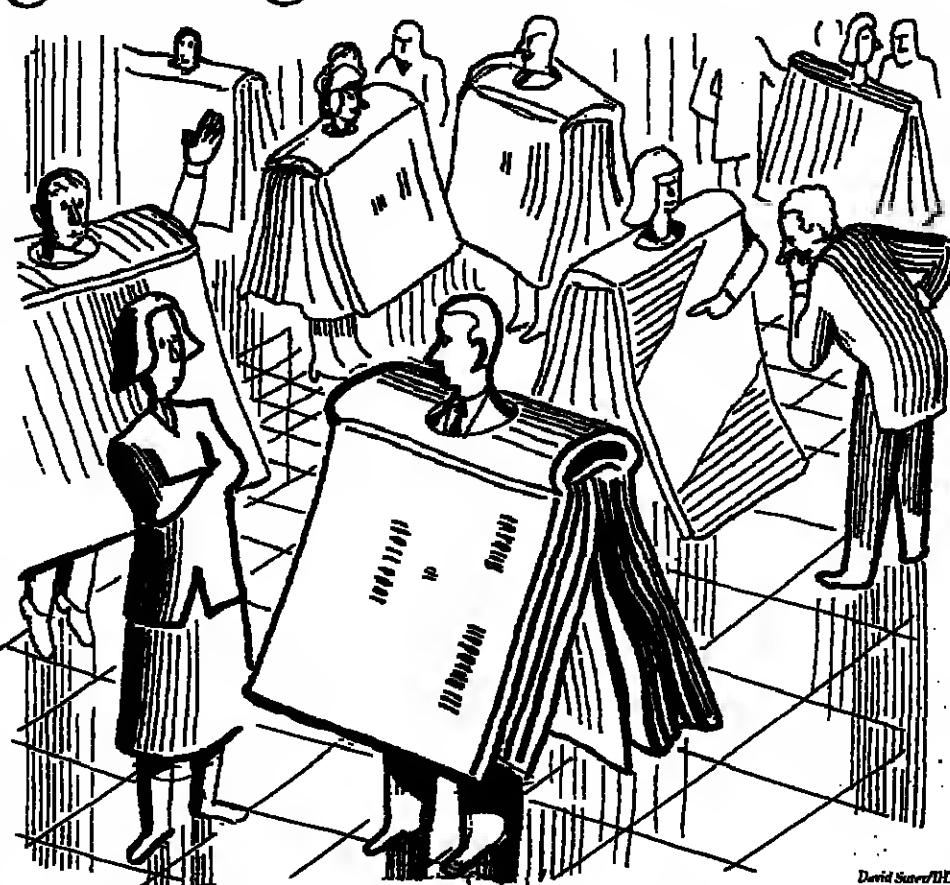
At this year's convention, more than 1,800 publishers and distributors used everything from card tables to lavish sets to display their books, magazines and CD-ROMs on several football fields' worth of hall space.

In between meetings, seminars and author lunches, booksellers searched displays for new books that might sell well in their stores.

Like many of the independents, Coady came with survival in mind. "There are already two Barnes & Nobles near me," she said. "And I'm worried more chains are coming. I'm really worried."

So as she dodged and weaved about, Coady zeroed in on what she thought might help out her stand.

First on the list was author events, and at the top of that were Conroy, the writer of best-sellers



David Scharf/CHT

turned-movies like "The Prince of Tides" and "The Great Santini," as well as Hillary Rodham Clinton and General Colin L. Powell.

"I'm like a little bee trying to get these writers," she said. "We're not exactly on the nine-city tour."

She had already made her pitch to Hunt for Conroy. Three hugs and several chats with sales representatives later, she arrived at the Simon & Schuster booth, where she made a pitch for an event with Clinton, who is writing a book on children, to be published next year.

"We can handle security, we can get press," she said, turning her rings a bit nervously. "I think we can do a spectacular job and if there's anything we can do to make it work, we'll do it. She's our No. 1 person."

The Simon & Schuster people said they would try, but not to get her hopes up.

For the next six hours, except for a break for a seminar titled "Washington and the Book-

store," Coady wandered the floor, her dark brown eyes darting from display to display.

"So many publishing houses, so many people to see," she said as she marched past a castle tower (by the producers of Dungeons and Dragons), a golfing simulator and a two-man tuba band playing a bit off-key.

She dropped her card in a shoebox for catalogue mailings. She also found two books new to her — one on women and divorce, the other about Jewish traditions — and she discussed possible author appearances with their publishers.

"I can't compete with the chains," she said. "So I just have to do what I do best, stick to basics and offer quality."

Hunt, meanwhile, stood near his booth, showing a picture of his two children to yet another bookseller. "They're beautiful," she said. He stepped out of the path of the oncoming tuba players.

Moments later, David Didriksen, general

manager of the Book Corner, a store in Shrewsbury, Massachusetts, told Hunt that he was opening bookstores in airports. "It's extremely political, but the traffic is tremendous," Didriksen said. "It's like Christmas every day."

Hunt pulled out his pad and jotted a note. He offered to talk to him later about specific books that might sell well at airports.

Another woman walked up and said she was having trouble finding authors for a book-and-author dinner. Whom would she like?

"Ellen DeGeneres?" she suggested. He jotted notes, but shook his head no. "Anyone else?" he asked. A woman from Malaysia, one of the growing number of foreign publishers at the fair, slipped a catalogue under his hand and slipped quietly back into the crowd.

By the end of the day, two bookstore owners had come to talk about credit issues; several people had wandered by asking directions, and 15 booksellers, including Coady, had come about Conroy. Half of them hugged and kissed the blushing Hunt in appreciation for his suggesting their stores for Conroy's reading tour for "Beach Music," to be published this fall by Nan A. Talese/Doubleday. The other half, including Coady, came seeking reconsideration.

Saturday night, both Coady and Hunt arrived at one of this year's few parties — a departure from the busy '80s, when big publishers threw lavish bashes. It was for Nicholas Evans, author of "The Horse Whisperer," a first novel written with a \$3 million advance from Delacorte and nearly as much again from the movie.

Evans was surrounded by admirers, so Coady chatted with other booksellers about what might move well in the fall. Hunt spent a good bit of the evening getting everyone else drinks.

As the cocktail party ended, Coady slipped out the door and headed off to another party. She had not spoken to Evans. "But I'm now interested in the book," she said, taking a galley with her. Hunt left to have drinks with his merchandising managers.

Then Sunday, as Hunt set up for another day of fielding questions, Coady sat listening with several thousand other booksellers to experienced authors like Studs Terkel and Dorothy Allison, and two new ones — Powell and Clinton.

Coady applauded everyone, but was especially attentive when Clinton took the podium. She brushed a chatty bookseller beside her.

"She's such a good speaker," Coady remarked. And when the speech ended, she sprang from her seat for a standing ovation. Would she try to ask her to come speak at her store herself? "Not now," she smiled. "But she is wonderful."

WEATHER

Forecast for Thursday through Saturday, as provided by Accu-Weather.

Europe	Today	High	Low	Tomorrow	High	Low	Day After	High	Low
Algeria	20/17	17/12	sh	22/17	18/11	pc			
Amsterdam	18/11	11/5	sh	18/11	10/5	sh			
Antwerp	20/17	12/5	sh	20/17	10/5	sh			
Athens	26/22	17/12	sh	25/24	18/9	sh			
Berlin	20/17	17/12	sh	20/17	17/12	sh			
Birmingham	20/17	17/12	sh	20/17	17/12	sh			
Bombay	27/22	17/12	sh	27/22	17/12	sh			
Buenos Aires	17/12	10/5	sh	18/14	5/1	pc			
Calcutta	27/22	17/12	sh	27/22	17/12	sh			
Cairo	27/22	17/12	sh	27/22	17/12	sh			
Cardiff	17/12	10/5	sh	18/14	5/1	pc			
Cebu	27/22	17/12	sh	27/22	17/12	sh			
Chennai	27/22	17/12	sh	27/22	17/12	sh			
Copenhagen	17/12	10/5	sh	18/14	5/1	pc			
Cross Del Sol	17/12	10/5	sh	18/14	5/1	pc			
Dublin	17/12	10/5	sh	18/14	5/1	pc			
Edinburgh	17/12	10/5	sh	18/14	5/1	pc			
Frankfurt	17/12	10/5	sh	18/14	5/1	pc			
Glasgow	17/12	10/5	sh	18/14	5/1	pc			
Helsinki	18/14	12/5	sh	19/16	11/5	sh			
Hong Kong	27/22	17/12	sh	27/22	17/12	sh			
London	17/12	10/5	sh	18/14	5/1	pc			
Los Angeles	20/17	17/12	sh	20/17	17/12	sh			
Madrid	20/17	17/12	sh	20/17	17/12	sh			
Moscow	20/17	17/12	sh	20/17	17/12	sh			
Mumbai	27/22	17/12	sh	27/22	17/12	sh			
Nairobi	27/22	17/12	sh	27/22	17/12	sh			
Paris	20/17	17/12	sh	20/17	17/12	sh			
Prague	17/12	10/5	sh	18/14	5/1	pc			
Rangoon	27/22	17/12	sh	27/22	17/12	sh			
Rio de Janeiro	20/17	17/12	sh	20/17	17/12	sh			
Sao Paulo	20/17	17/12	sh	20/17	17/12	sh			
Seoul	20/17	17/12	sh	20/17	17/12	sh			
Shanghai	27/22	17/12	sh	27/22	17/12	sh			
Singapore	27/22	17/12	sh	27/22	17/12	sh			
Sydney	20/17	17/12	sh	20/17	17/12	sh			
Taipei	27/22	17/12	sh	27/22	17/12	sh			
Tokyo	20/17	17/12	sh	20/17	17/12	sh			
Yokohama	20/17	17/12	sh	20/17	17/12	sh			

North America	Today	High	Low	Tomorrow	High	Low	Day After	High	Low
Alaska	20/17	17/12	sh	20/17	17/12	sh			
Arizona	20/17	17/12	sh	20/17	17/12	sh			
California	20/17	17/12	sh	20/17	17/12	sh			
Colorado	20/17	17/12	sh	20/17	17/12	sh			
Connecticut	20/17	17/12	sh	20/17	17/12	sh			
Delaware	20/17	17/12	sh	20/17	17/12	sh			
District of Columbia	20/17	17/12	sh	20/17	17/12	sh			
Florida	20/17	17/12	sh	20/17	17/12	sh			
Georgia	20/17	17/12	sh	20/17	17/12	sh			
Hawaii	20/17	17/12	sh	20/17	17/12	sh			
Idaho	20/17	17/12	sh	20/17	17/12	sh			
Illinois	20/17	17/12	sh	20/17	17/12	sh			
Indiana	20/17	17/12	sh	20/17	17/12	sh			
Iowa	20/17	17/12	sh	20/17	17/12	sh			
Kansas	20/17	17/12	sh	20/17	17/12	sh			
Kentucky	20/17	17/12	sh	20/17	17/12	sh			
Louisiana	20/17	17/12	sh	20/17	17/12	sh			
Maine	20/17	17/12	sh	20/17	17/12	sh			
Maryland	20/17	17/12	sh	20/17	17/12	sh			
Massachusetts	20/17	17/12	sh	20/17	17/12	sh			
Michigan	20/17	17/12	sh	20/17	17/12	sh			
Minnesota	20/17	17/12	sh	20/17	17/12	sh			
Mississippi	20/17	17/12	sh	20/17	17/12	sh			
Missouri	20/17	17/12	sh	20/17	17/12	sh			
Montana	20/17	17/12	sh	20/17	17/12	sh			
Nebraska	20/17	17/12	sh	20/17	17/12	sh			
Nevada	20/17	17/12	sh	20/17	17/12	sh			
New Hampshire	20/17	17/12	sh	20/17	17/12	sh			
New Jersey	20/17	17/12	sh	20/17	17/12	sh			
New Mexico	20/17	17/12	sh	20/17	17/12	sh			
New York	20/17	17/12	sh	20/17	17/12	sh			
North Carolina	20/17	17/12	sh	20/17	17/12	sh			
North Dakota	20/17	17/12	sh	20/17	17/12	sh			
Oklahoma	20/17	17/12	sh	20/17	17/12	sh			
Oregon	20/17	17/12	sh	20/17	17/12	sh			
Rhode Island	20/17	17/12	sh	20/17	17/12	sh			
South Carolina	20/17	17/12	sh	20/17	17/12	sh			
South Dakota	20/17	17/12	sh	20/17	17/12	sh			
Tennessee	20/17	17/12	sh	20/17	17/12	sh			
Texas	20/17	17/12	sh	20/17	17/12	sh			
Utah	20/17	17/12	sh	20/17	17/12	sh			
Vermont	20/17	17/12	sh	20/17	17/12	sh			
Virginia	20/17	17/12	sh	20/17	17/12	sh			
Washington	20/17	17/12	sh	20/17	17/12	sh			
West Virginia	20/17	17/12	sh	20/17	17/12	sh			
Wisconsin	20/17	17/12	sh	20/17	17/12	sh			
Wyoming	20/17	17/12	sh	20/17	17/12	sh			

Asia									
	Today		Tomorrow		Day After				
	High	Low	W	H	Low	W	C	D	F
Bangkok	33/19	26/19	33/19	26/19	sh	sh			
Bombay	29/19	18/15	27/19	18/15	sh	sh			
Hong Kong	28/14	27/08	27/19	20/09	sh	sh			
Manila	29/15	24/01	29/19	24/01	sh	sh			
Seoul	26/13	13/08	26/19	13/08	sh	sh			
Singapore	24/15	10/11	24/19	10/11	sh	sh			
Taipei	29/15	18/01	29/19	18/01	sh	sh			
Thailand	30/19	24/15	30/19	24/15	sh	sh			
Tokyo	26/13	13/08	26/19	13/08	sh	sh			
Yokohama	26/13	13/08	26/19	13/08	sh	sh			
Osaka	27/10	14/07	27/19	14/07	sh	sh			
Latin America									
Buenos Aires	9/48	-1/31	sh	11/52	3/07	sh			
Canada	29/10	17/42	sh	26/42	17/52	sh			
London	27/11	17/52	sh	27/18	17/52	sh			
Mexico City	27/10	15/21	sh	27/10	15/59	sh			
San Jose (Costa Rica)	27/18	16/01	sh	27/18	16/01	sh			
Santiago	27/18	16/01	sh	27/18	16/01	sh			
Sao Paulo	27/18	16/01	sh	27/18	16/01	sh			
North America									
Anchorage	14/57	10/50	sh	14/57	9/48	sh			
Albuquerque	32/19	26/19	sh	33/19	26/19	sh			
Boston	33/17	19/06	sh	24/15	16/01	sh			
Chicago	32/19	19/06	sh	32/19	19/06	sh			
Detroit	32/11	9/46	sh	17/52	6/41	sh			
Denver	31/17	19/06	sh	26/19	10/51	sh			
Honolulu	32/19	26/19	sh	30/18	27/15	sh			
Houston	32/19	26/19	sh	32/19	26/19	sh			
Los Angeles	32/19	26/19	sh	32/19	26/19	sh			
Memphis	30/19	25/17	sh	32/18	26/19	sh			
Minneapolis	32/19	12/53	sh	19/50	11/52	sh			
New York	32/19	26/19	sh	32/19	26/19	sh			
Norfolk	31/18	25/17	sh	32/18	27/15	sh			
Norwich	31/18	25/17	sh	32/18	27/15	sh			
New York	32/19	26/19	sh	32/19	26/19	sh			
San Francisco	32/19	26/19	sh	32/19	26/19	sh			
San Juan	32/19	11/58	sh	32/19	12/59	sh			
Seattle	32/19	26/19	sh	32/19	26/19	sh			
Tampa	32/19	26/19	sh	32/19	26/19	sh			
Toronto	30/19	11/52	sh	23/17	11/52	sh			
Washington	30/19	21/07	sh	32/19	26/19	sh			